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NATIONAL ASSOCIATION
OF
RAILWAY COMMISSIONERS
—
PROCEEDINGS
OF THE
SIXTEENTH ANNUAL CONVENTION
HELD AT
BIRMINGHAM, ALA., NOVEMBER 15-17, 1904

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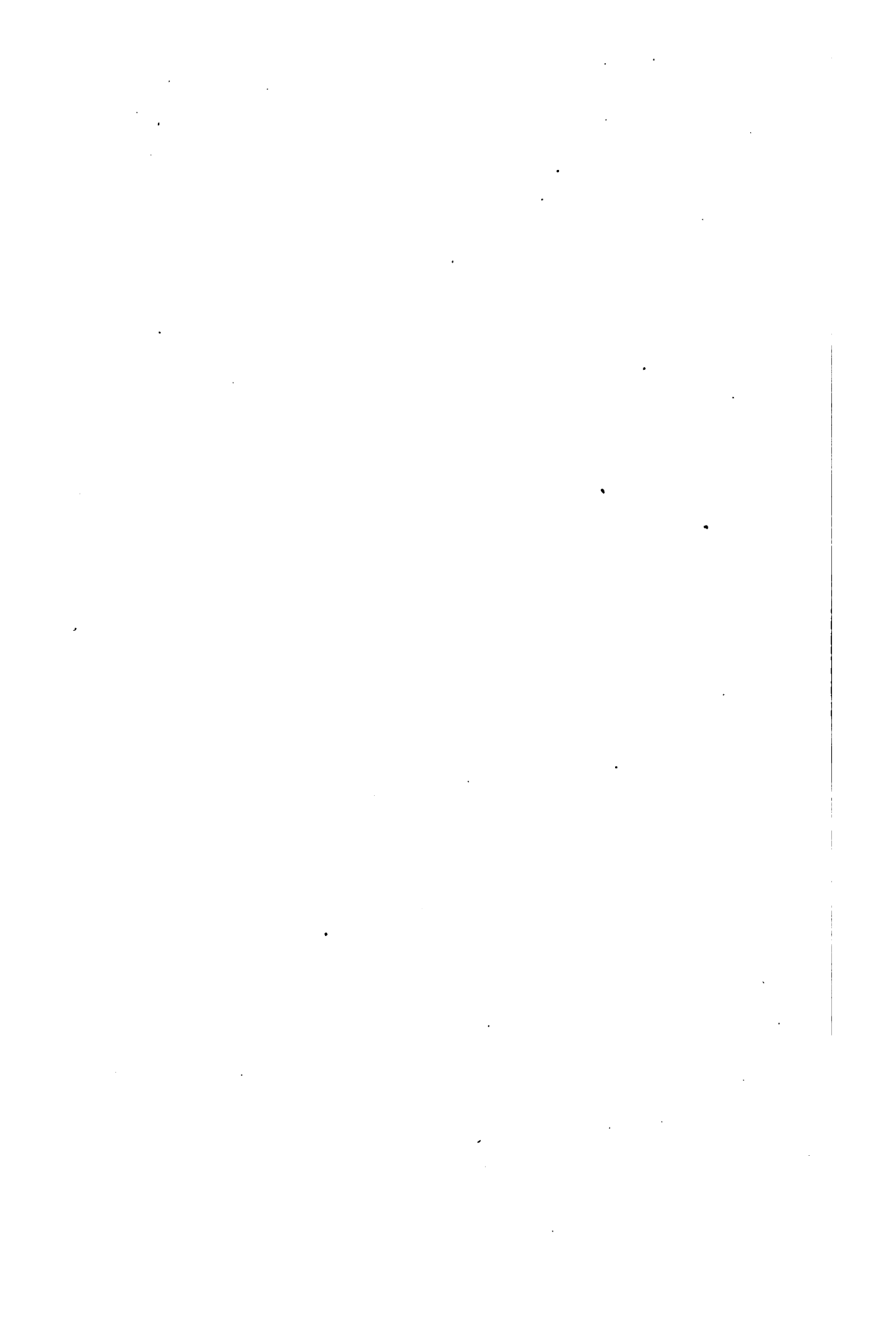
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SIXTEENTH ANNUAL CONVENTION,
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ORGANIZATION OF CONVENTION.

OFFICERS.

JOHN V. SMITH, of Alabama, *President*.
W. E. McCULLY, of Missouri, *First Vice-President*.
IRA B. MILLS, of Minnesota, *Second Vice-President*.
EDWARD A. MOSELEY, *Secretary*.
MARTIN S. DECKER, *Assistant Secretary*.

COMMITTEES FOR THIS CONVENTION.

EXECUTIVE.

ISAAC B. BROWN, of Pennsylvania.	C. L. DE FUENTES, of Louisiana.
IRA B. MILLS, of Minnesota.	JOHN V. SMITH, of Alabama, <i>ex officio</i> .
W. E. McCULLY, of Missouri.	EDWARD A. MOSELEY, of the Inter-
WILLIAM KILPATRICK, of Illinois.	state Commerce Commission.

CLASSIFICATION OF OPERATING AND CONSTRUCTION EXPENSES OF ELECTRIC RAILWAYS.

W. O. SEYMOUR, of Connecticut.	A. L. FRENCH, of Illinois.
W. W. MORGARIDGE, of Pennsylvania.	W. A. HAM, of District of Columbia.
B. F. CHADBOURNE, of Maine.	

GRADE CROSSINGS.

CLINTON WHITE, of Massachusetts.	J. A. KNOTT, of Missouri.
PARKER SPOFFORD, of Maine.	F. M. BAKER, of New York.
H. S. BINGHAM, of Vermont.	W. C. TUNSTALL, of Alabama.
E. A. DAWSON, of Iowa.	

RAILROAD TAXES AND PLANS FOR ASCERTAINING FAIR VALUATION OF RAILROAD PROPERTY.

J. W. THOMAS, of Wisconsin.	HENRY FAIRFAX, of Virginia.
J. N. McKENZIE, of Tennessee.	S. L. ROGERS, of North Carolina.
ALLISON MAYFIELD, of Texas.	WILLIAM E. FLOYD, of Arkansas.
C. F. STAPLES, of Minnesota.	

CLASSIFICATION OF OPERATING AND CONSTRUCTION EXPENSES OF STEAM RAILWAYS.

A. C. IRWIN, of California.	D. H. SMITH, of South Dakota.
G. W. WHEATLEY, of Kansas.	C. J. LORD, of North Dakota.
O. B. COLQUITT, of Texas.	B. L. CAUGHMAN, of South Carolina.
J. L. MORGAN, of Florida.	

UNIFORM CLASSIFICATION AND SIMPLIFICATION OF TARIFF SHEETS.

G. G. JORDAN, of Georgia.	FRANKLIN McNEIL, of North Caro-
N. W. BAPTIST, of Tennessee.	lina.
M. S. DECKER, of the Interstate Com-	JOHN A. UPSHUR, of Virginia.
merce Commission.	B. B. HUDGINS, of Arkansas.
C. W. GARRIS, of South Carolina.	

RAILROAD STATISTICS.

H. C. ADAMS, of the Interstate Commerce Commission.	C. I. STURGIS, of Illinois.
D. N. LEWIS, of Iowa.	WILLIAM KILPATRICK, of Illinois.
J. C. MORRIS, of Ohio.	A. C. CLAUSEN, of Minnesota.
	T. W. ATWOOD, of Michigan.

LEGISLATION.

J. C. CLEMENTS, of the Interstate Commerce Commission.	H. W. HILL, of Georgia.
W. T. SANDERS, of Alabama.	J. S. NEVILLE, of Illinois.
G. W. BISHOP, of Massachusetts.	J. C. KINCANNON, of Mississippi.
	C. F. STAPLES, of Minnesota.

SAFETY APPLIANCES AND BLOCK SIGNALS.

EDWARD A. MOSELY, of the Interstate Commerce Commission.	WILLIAM KILPATRICK, of Illinois.
FRANK LE COCQ, Jr., of South Dakota.	W. F. WILCOX, of Connecticut.
	J. C. BRUSIE, of California.

DELAYS ATTENDANT UPON ENFORCING ORDERS OF RAILWAY COMMISSIONS.

IRA B. MILLS, of Minnesota.	S. P. RICE, of Missouri.
C. C. McCHORD, of Kentucky.	E. C. BIDDINGFIELD, of North Carolina.
A. D. WALKER, of Kansas.	
W. G. SMITH, of South Dakota.	THOS. L. WILLIAMS, of Tennessee.

RATES AND RATE MAKING.

B. T. CRUMP, of Virginia.	J. P. BROWN, of Georgia.
L. J. STOREY, of Texas.	McD. FERGUSON, of Kentucky.
J. B. BROWNE, of Florida.	E. G. CONNELLY, of Arkansas.
W. L. FOSTER, of Louisiana.	

OFFICERS OF THE ASSOCIATION FOR THE ENSUING YEAR.

IRA B. MILLS, of Minnesota, *President*.
 JAMES S. NEVILLE, of Illinois, *First Vice-President*.
 W. G. SMITH, of South Dakota, *Second Vice-President*.
 EDWARD A. MOSELEY, *Secretary*.
 MARTIN S. DECKER, *Assistant Secretary*.

COMMITTEES TO REPORT TO THE NEXT CONVENTION.

Executive.

ISAAC B. BROWN, of Pennsylvania.	HENRY C. STUART, of Virginia.
JAMES S. NEVILLE, of Illinois.	IRA B. MILLS, of Minnesota, <i>ex officio</i> .
W. G. SMITH, of South Dakota.	EDWARD A. MOSELEY, of the Interstate Commerce Commission, <i>ex officio</i> .
FRANKLIN McNEILL, of North Carolina.	

Construction and operating expenses of electric railways.

W. O. SEYMOUR, of Connecticut.	W. A. HAM, of the District of Columbia.
W. W. MORGARIDGE, of Pennsylvania.	A. L. JUDSON, of New York.
MARTIN S. DECKER, of the Interstate Commerce Commission.	

Grade crossings.

B. F. CHADBOURNE, of Maine.	JOSEPH P. RICE, of Missouri.
WILLIAM KILPATRICK, of Illinois.	CLINTON WHITE, of Massachusetts.
JOSEPH M. DICKEY, of New York.	H. S. BINGHAM, of Vermont.
DAVID J. PALMER, of Iowa.	

Railroad taxes and plans for ascertaining fair valuation of railroad property.

C. F. STAPLES, of Minnesota.	J. C. MORRIS, of Ohio.
J. N. McKENZIE, of Tennessee.	HENRY FAIRFAX, of Virginia.
O. B. COLQUITT, of Texas.	C. L. DE FUENTES, of Louisiana.
C. C. McCHORD, of Kentucky.	

Amendment of act to regulate commerce.

R. HUDSON BURR, of Florida.	J. H. WHARTON, of South Carolina.
C. C. McCHORD, of Kentucky.	JOHN W. THOMAS, of Wisconsin.
FRANK LECOCQ, JR., of South Dakota.	JAMES S. NEVILLE, of Illinois.
CHARLES F. STAPLES, of Minnesota.	B. B. COMER, of Alabama.
BEVERLY T. CRUMP, of Virginia.	

Powers, duties, and work of State railroad commissions.

FULLER C. SMITH, of Vermont.	H. WARNER HILL, of Georgia.
A. C. CLAUSEN, of Minnesota.	JOHN A. KNOTT, of Missouri.
A. C. IRWIN, of California.	VIRGIL C. GRIFFIN, of Alabama.
JEFFERSON B. BROWNE, of Florida.	

Railroad statistics.

H. C. ADAMS, of the Interstate Commerce Commission.	C. I. STURGIS, of Illinois.
WILLIAM KILPATRICK, of Illinois.	H. C. KOCHERSPERGER, of Connecticut.
THOMAS YAPP, of Minnesota.	T. W. ATWOOD, of Michigan.
D. N. LEWIS, of Iowa.	

Uniform classification.

JOHN A. UPSHUR, of Virginia.	D. H. SMITH, of South Dakota.
JOSEPH W. FIFER, of the Interstate Commerce Commission.	J. H. EARLE, of South Carolina.
A. D. WALKER, of Kansas.	B. B. HUDGINS, of Arkansas.
	A. C. ELLWOOD, of Illinois.

Legislation.

J. C. CLEMENTS, of the Interstate Commerce Commission.	J. C. KINCANNON, of Mississippi.
ALLISON MAYFIELD, of Texas.	J. W. THOMAS, of Wisconsin.
H. WARNER HILL, of Georgia.	ERICK STAFNE, of North Dakota.
ARTHUR G. WHITEMORE, of New Hampshire.	

Safety appliances.

EDWARD A. MOSELEY, of the Interstate Commerce Commission.	A. L. FRENCH, of Illinois.
FRANK M. BAKER, of New York.	W. F. WILLCOX, of Connecticut.
GEORGE W. BISHOP, of Massachusetts.	GEORGE E. BALES, of New Hampshire.

Delays attendant upon enforcing orders of railroad commissions.

WILLIAM E. YOUNG, of Minnesota.	JOHN L. MORGAN, of Florida.
E. C. BIDDINGFIELD, of North Carolina.	FRANK A. WIGHTMAN, of Missouri.
THOMAS L. WILLIAMS, of Tennessee.	JOHN CHRISTIANSON, of North Dakota.
McD. FERGUSON, of Kentucky.	

Rates and rate making.

B. T. CRUMP, of Virginia.	W. L. FOSTER, of Louisiana.
L. J. STOREY, of Texas.	E. A. DAWSON, of Iowa.
A. T. SILER, of Kentucky.	ORRIN S. HENDERSON, of California.
W. C. TUNSTALL, of Alabama.	

TIME AND PLACE OF HOLDING NEXT CONVENTION, AUGUST 16, 1905, DEADWOOD, S. DAK.

CONVENTION OF RAILROAD COMMISSIONERS.

MEMBERS OF THE CONVENTION IN ATTENDANCE.

State Railroad Commissioners.

ALABAMA:	NEW HAMPSHIRE:
JOHN V. SMITH, <i>President.</i>	GEORGE E. BALES, <i>Commissioner.</i>
W. T. SANDERS, <i>Commissioner.</i>	NORTH DAKOTA:
VIRGIL C. GRIFFIN, <i>Secretary.</i>	C. C.
FLORIDA:	PENNSYLVANIA:
R. HUDSON BURR, <i>Commissioner.</i>	ISAAC
ILLINOIS:	terry
JAMES S. NEVILLE, <i>Chairman.</i>	THE
ARTHUR L. FRENCH, <i>Commissioner.</i>	W.
WM. KILPATRICK, <i>Secretary.</i>	Su
MAINE:	SOUTH CAROLINA:
BENJ. F. CHADBOURNE, <i>Commissioner.</i>	C. W.
MICHIGAN:	J. H.
THERON W. ATWOOD, <i>Commissioner.</i>	B. L.
MINNESOTA:	D. P.
IRA B. MILLS, <i>Chairman.</i>	TENNESSEE:
C. F. STAPLES, <i>Commissioner.</i>	J. H.
THOMAS YAPP, <i>Assistant Secretary and Statistician.</i>	VERMONT:
MISSOURI:	FUL
JOSEPH P. RICE, <i>Commissioner.</i>	VIRGINIA:
	JOH
	WISCONSIN:
	JOH

NORTH DAKOTA
W. G. SMITH, *Chairman.*
F. L. (H. Q.) JR.
W. H. STANLEY, *Secretary.*

Interstate Commerce Commission.

JUDSON C. CLEMENTS, <i>Commissioner.</i>	MARTIN S. DECKER, <i>Assistant Secretary.</i>
	WM. H. CONNOLLY, <i>Chief Clerk.</i>

Association of American Railway Accounting Officers.

J. O. CLIFFORD.	C. I. STURGIS.
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Street Railway Accounting Association of America.

WM. F. HAM, <i>Chairman.</i>	H. C. MACKAY.
C. N. DUFFY.	W. B. BROCKWAY.

Honorary Members.

HENRY C. ADAMS, <i>Statistician Interstate Commerce Commission.</i>	D. H. ABBOTT, of North Carolina.
	JAMES H. PADDOCK, of Illinois.

Other persons present.

J. H. EARLE, <i>Commissioner-elect of South Carolina.</i>	Prof. B. H. MEYER, of Madison, Wis.
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PROCEEDINGS OF THE CONVENTION.

BIRMINGHAM, ALA., *November 15, 1904—11 a. m.*

The convention was called to order by Hon. John V. Smith, president.

The PRESIDENT. The National Association of Railway Commissioners will please come to order. I now take pleasure in introducing to you Hon. W. M. Drennen, mayor of the city of Birmingham, Ala., who will extend to you a welcome to the city during your stay here.

ADDRESS OF WELCOME.

Mr. DRENNEN. Mr. President and members of the National Association of Railway Commissioners: It is a distinguished honor as well as a great pleasure that I, as the representative of the citizens of this city, welcome you here to-day. Birmingham has gained the distinction, honor, and reputation of being an ideal Southern city suitable for conventions to assemble in and transact such business as comes before orders, associations, and organizations such as you.

After you have transacted such business as comes before your august body, and mixed and commingled with the citizens of our city, and have been shown the wonderful progress and developments of our city and county, I trust that your visit would have been so beneficial and pleasant that after you have gone you can cheerfully help us in maintaining our reputation, not only for our progress and great development, but for our hospitality as well.

Birmingham is almost centrally located in Jefferson County, and in speaking of Birmingham it is necessary to include Jefferson County and the Birmingham district as well. I regret to say, however, that owing to our small corporate limits, we have a city with a majority of its population who call Birmingham their home, but who live outside of the corporate limits.

In 1900 we had 40 blast furnaces that used coke for fuel, and we now have 53, of which 30 are located in Jefferson County, requiring about nine-tenths of the coke from 8,000 coke ovens to supply them with fuel. Although a strike has been in effect at a majority of our largest collieries since the 1st of July, still the output of coal for 1904 will exceed that of any previous year.

We have five trunk line railroads that now enter our city, and the Seaboard Air Line, making six, which will be running cars into our

city within the next thirty days. The Brunswick and Birmingham has completed more than 150 miles of its track running out of Brunswick, Ga. The Illinois Central has made a number of surveys locating a line to extend into our city.

It will not be surprising to you, gentlemen, to know that all Southern trunk lines are trying to get into Birmingham, when it is shown the amount of business that is done in Birmingham and the Birmingham district and the tonnage that is handled by the roads that are now here.

The coal and iron tonnage of Alabama is equal to the entire wheat crop of the Western States, and during the past year was four times the tonnage of the entire cotton crop of the Southern States.

The railroad tonnage of the Birmingham district amounts to about 75 per cent of the total tonnage of the State of Alabama. The Birmingham district furnished more tonnage than the entire State of Georgia, and about twice as much as the State of Mississippi. The number of freight cars handled out and in the Birmingham district is more than that of the States of Georgia, Florida, and South Carolina combined. The passenger receipts of this city are likewise very large, exceeding those perhaps of any other city in the South, and amount to about \$1,250,000 per year. Including the employees of the railroads, the mines, and manufacturing concerns, over 75,000 wage-earners are on the pay rolls of the Birmingham district. They receive in wages nearly \$3,500,000 monthly. Birmingham has 106 miles of street railroads, and in point of mileage it is the third city in the South. The banks of this city carry about 40 per cent of the bank deposits of the State.

The population of Jefferson County, in which Birmingham is located, was 88,501 in 1890, and in 1900 it was 140,420, and its estimated population to-day is 180,000. In Birmingham and suburbs there were built during the twelve months of 1901, 1,992 houses, costing \$2,313,900; in 1902, 2,015 houses, costing \$3,391,850; and in 1903, 2,084 houses, costing \$4,289,975, making a total of \$10,994,725. Jefferson County is one of the 67 counties of the State, but pays more than one-sixth of the entire taxes of the State.

The substantial developments that have been made are the best guaranty of the future progress of Birmingham and the Birmingham district, and all that has been done in this city, which is less than thirty-two years old, seems exceedingly slow and small compared with our future possibilities.

We have been so busy trying to build up our city and district that we have not petitioned and made demands upon certain officials and corporations that we should have made. Of course, Birmingham is the logical place for the capital of Alabama, but we have been so busy that we have never tried to secure it. It is also the place for the

high-up officials of a majority of the trunk lines that enter this city, but we have been so busy that we have not yet asked for them to be moved here.

Fourteen years ago, when our union passenger station was built, the press over the State, as well as our neighboring cities, such as Memphis, Nashville, and Atlanta, criticised the railroads for building a union station so large. Of course, it is not necessary for me to call this matter to the attention of the railroad commission of Alabama, for they know that it is entirely too small. But we have just been so busy that we have not had time until now to beg and demand a larger one.

I hardly know how to impress upon you, as I would like, how busy we have been. In fact, the people of this city have been so busy that they have not even had time to elect anyone except myself for mayor for the past three terms. [Applause.]

I thank the president of your association for inducing you to meet in our city, and again in behalf of all of our citizens I extend to you our most cordial greetings.

The PRESIDENT. I now take pleasure in introducing to you Hon. Theodore B. Klein, of Pennsylvania, who will respond to the address of welcome by the mayor of the city of Birmingham.

RESPONSE TO THE ADDRESS OF WELCOME.

Mr. KLEIN, of Pennsylvania. Mr. President, your honor the mayor, members of the National Association of Railway Commissioners, ladies and gentlemen: There is written upon the archives of this association (now assembled in this busy hive of industry), and duly recorded among the proceedings of the meeting held upon the rock-bound shores of the far-away State of Maine in the year of grace 1903, a declaration made in behalf of the good State of Alabama, by its representative at that time, and whom we have the honor of saluting at this time as the presiding officer of this conclave, which sets forth: That we think Alabama is not only the first State on the roll—that goes without saying—but that it is the first State in the Union. We have everything in the world, and when the Railway Association of Commissioners cross the Tennessee River in order to hold their next annual convention in Alabama, everything we have will be yours.

Mr. President, in behalf of the delegates and their friends from Pennsylvania (another first State in the Union), and I am sure I voice the sentiments of the representatives of our sister States when I say that we have safely crossed the Tennessee River, and, now sojourning in the domain of Alabama, we realize the boundless extent of the hospitality of the good people of the Southland; and realize that everything that you have is ours; and we surrender unconditionally, and without a murmur submit to your commands until we are transported beyond the limits of your noble Commonwealth; but until that time

our motto will be in accord with the Indian name of your State, which, according to the old legend, is, "Here we rest."

We can scarcely realize what is embraced in the princely gift that we are the recipients of, but we do know that it is a royal heritage—an area of 52,000 square miles, with 67 separate counties; a land of gold and silver; a land of iron and steel; a land of coal and marble; a land of fruits and flowers; a land of fair women and brave men; a veritable promised land, including even the delights of the ancient Canaan, with its milk and honey.

With very great pleasure Pennsylvania claims a kinship with Alabama because of the similar characteristics and combinations in the great iron and steel industries common to both States; and although Pennsylvania upon the map of the United States is located horizontally and Alabama perpendicularly, there are still a kinship and coincident features that are worth noting.

Alabama exceeds Pennsylvania in extent of area about 7,000 square miles, which is but a trifle in these days of greater quantities and greater things. Pennsylvania has the same number of counties, and a few more millions of people, but as she had been a State of the Union for many years prior to 1819, when Alabama took her place in the sisterhood, and being in the direct track of the emigrant and of strenuous colonists, this excess in population can be accounted for. Our Delaware and Schuylkill rivers on our eastern boundary, the waterways to the ocean, compare with your Alabama River and its tributary, the Tombigbee—famous in the early days when the lines of steamboats, loaded with cotton to the guards, came to the seaport and exchanged their cargoes for the merchandise and plantation supplies for the up country.

We then have our Susquehanna, traversing Pennsylvania from north to south, with its branches, draining the State; we have the Allegheny and Monongahela rivers in the west, whose waters flow into the Ohio and Mississippi, bearing upon their crests the products of the western mines of coal and the liquid products from the fountains of oil.

Our great lines of railways, with the Pennsylvania System in the lead, with its many lateral branches; the great hard-coal roads traversing the Schuylkill, Lehigh, and Lackawanna regions in the east and north, and the soft-coal roads of the west compare with your great lines from the Ohio and from the Atlantic; and we congratulate you on the rapid strides you have made in recent years, which have placed you in the forefront of railway development and all that is implied thereby.

We, too, have a pair of Birminghams upon the banks of the Allegheny and Monongahela rivers, and vie with you in the display of red fire and molten metals that mark the location of ironclad cities.

Mr. President, more than half a century since your associate, and

now representative from Pennsylvania, was a pilgrim to Alabama, not by the present route in a palace car, with home comforts, in thirty-six hours, but by the rivers Ohio and the Father of Waters to the Crescent City, and thence across the lake and bay to the beautiful city of Mobile, where poets wrote of its charms in verse and in song. Enterprise was in the air. A section of the Mobile and Ohio Railway was constructed. The foundations of the public buildings were well under way, but the mails from the North came in a steamboat from Pensacola daily, and the last of a tribe of Indians were often seen upon the sidewalks.

The gate of memory swings back upon its golden hinge and reveals many happy hours spent in the goodly city; and the memories of the installation of the then famous Battle House, with its incomparable bowl of gumbo, sipped amid the bombardment of Heidsieck explosives still linger with pleasant recollections.

But, alas! after a short year's sojourn in the city, yellow jack attacked the unacclimated as well as supposed immunes, and for the good of the State, and my own, I ingloriously fled back to Pennsylvania [laughter], and, strange to relate, wooed and won a young lady who was born on the 15th day of November, 1834, in Wilcox County, Ala., where her father sleeps his last sleep at Prairie Bluff. Consequently, Mr. President, I am in a certain degree, by virtue of my family relations and early domicile, somewhat of an Alabamian; and with that slender claim repeat our motto:

"Here we rest;
Here we rest."

[Prolonged applause.]

The PRESIDENT. The secretary will now read the official call.

CALL FOR SIXTEENTH ANNUAL CONVENTION OF NATIONAL ASSOCIATION OF RAILWAY COMMISSIONERS.

By authority of the Fifteenth Annual Convention of the National Association of Railway Commissioners, held July 14-16, 1903, at Portland, Me., and pursuant to vote thereof fixing the time and place for the next annual meeting, notice is hereby given that the sixteenth annual convention of the association will be held in the city of Birmingham, Ala., on Tuesday, November 15, 1904, at 11 o'clock a. m.

Membership in the association is fixed and the privileges of members are determined by Article II of the constitution, as follows:

Active membership shall embrace only the Interstate Commerce Commissioners, the railway commissioners or deputy commissioners of the several States and Territories of the Union, and in those States and Territories having no railway commissions, State officers who by law exercise active supervisory powers over the affairs of railways; also the secretary and assistant secretary of the Interstate Commerce Commission, and the secretary or clerk of each State railway commission where such office is created by law.

Honorary membership shall include former members of the association, a committee of three from each steam or street railway accounting association, the statistician of the Interstate Commerce Commission and of the several State commissions, together with the engineers of said commissions.

Active members shall be entitled to one vote each, if present, upon all questions coming before the association. Honorary members shall have the privileges of the floor and the right of debate, but shall not be entitled to vote.

Committees have been appointed to consider and report to the next convention on the following subjects:

1. Classification of operating and construction expenses of electric railways.
2. Grade crossings.
3. Railroad taxes and plans for ascertaining fair valuation of railroad property.
4. Classification of operating and construction expenses of steam railways.
5. Uniform classification and simplification of tariff sheets.
6. Railroad statistics.
7. Legislation.
8. Safety appliances and block signals.
9. Delays attendant upon enforcing orders of railway commissions.
10. Rates and rate making.

Committees are required to prepare and transmit their respective reports to the secretary thirty days before the date of the next convention. The committee reports should be sent to the secretary as soon as possible.

It is earnestly desired that all members shall attend this convention, as questions of unusual importance are likely to be brought up for discussion. Each member should come prepared not only to discuss the topics above mentioned, but to present additional matters pertaining to railway regulation for consideration by the convention.

JOHN V. SMITH,
Of Alabama, President.

EDW. A. MOSELEY,
Secretary Interstate Commerce Commission, Secretary.

WASHINGTON, D. C., *September 26, 1904.*

The PRESIDENT. The secretary will please call the roll of the National Association of Railway Commissioners and ascertain the number of persons present—the States represented.

The acting secretary called the roll and the following-named members answered to their names:

ROLL CALL BY STATES.

Alabama.—John V. Smith, W. T. Sanders; Virgil C. Griffin, secretary.

Florida.—R. Hudson Burr.

Illinois.—James S. Neville, Arther L. French; Wm. Kilpatrick, secretary.

Maine.—Benj. F. Chadbourne.

Michigan.—Theron W. Atwood.

Minnesota.—Ira B. Mills, C. F. Staples, Thomas Yapp, assistant secretary and statistician.

Missouri.—Joseph P. Rice.

New Hampshire.—George E. Bales.

North Dakota.—C. C. Hammond.

South Dakota.—W. G. Smith, chairman; F. Le Cocq, jr.; W. H. Stanley, secretary.

ford, C. I. Sturgis.

Street-Railway Accounting Association of America.—Wm. F. Ham, C. N. Duffy, H. C. Mackay, W. B. Brockway.

Other persons present.—J. H. Earle, railroad commissioner-elect of South Carolina; Prof. B. H. Meyer, of Madison, Wis.

Mr. DECKER, acting secretary. Mr. President, I have not read the names of the States represented sometimes by tax commissions and others of that nature. The constitution provides that besides members of the State railroad commissions, "in those States and Territories having no railway commissions, State officers who by law exercise active supervisory powers over the affairs of railways" are also members. It is too difficult to determine from any known record just what to call. I suggest that the names be taken of any who have been omitted, and that if any question arises it can be determined.

The PRESIDENT. Do you know of any such persons, Mr. Secretary?

Mr. DECKER, acting secretary. I think some others are here.

The PRESIDENT. I understand that there are quite a number of other commissioners who will be in on the train to-day, and their names can be enrolled as present later during the proceedings of the convention.

Mr. DECKER, acting secretary. If you will permit me, I will take the names on cards of all those present, and they can put on the cards the names of those they know will come.

PRESIDENT'S ADDRESS.

President SMITH. At this time I desire to tender my sincere thanks for the high honor conferred upon me at your last meeting in the city of Portland, Me. I feel that it is a duty which I owe you to make a few remarks upon this occasion, which shall cover, briefly, some of the

matters of vital importance which will come before you for discussion. I know of no body whose influence should be more effectively felt than yours, composed of men from all sections of our common country, whose duty it is to study these questions and become leaders in thought as well as action, in solving the great problems of railroading in the United States. Time forbids that I should cover many of these points, and I shall therefore confine myself to only a few of the greatest importance.

The impression which once prevailed in some sections, that the sole duty of a railroad commissioner was to make war upon the railroads within his jurisdiction, has done much to delay the harmony and mutual cooperation of the people and railroads in the development of the great resources of our country. It is a gratifying fact that railroad commissioners are fast coming to understand that they occupy quasi judicial capacities, and that it is as much a sworn duty to protect the railroads from injustice and oppression as it is their duty to see that the people have their rights, and that the railroads shall practice no injustice or oppression.

The various problems which confront you are deserving of the closest and most conscientious study. The chairmen of the various committees will read papers upon the subjects assigned to them, and it is to be hoped that these papers will be listened to with profound interest and fully discussed by the members of this association. The papers on grade-crossing legislation, uniform classification, rate making, and assessment of railway properties, and safety appliances, especially, should be discussed at length and all the light secured which is possible in the short time allowed in this meeting.

TRUSTS AND COMBINES.

Much has lately been said and written about trusts and combinations, and indeed the entire country has its eyes upon both the great political parties which together dominate our public affairs, to find and enforce some remedy against the growing evil of unlawful trusts and combines. Whenever a combine or trust is formed for the unlawful purpose of destroying competition and putting up prices beyond their real value, and beyond the reach of the masses to pay, then such a trust or combine should be enjoined, and the combined power of the State and Federal Government should be used to destroy it and wipe it out of existence. No leniency or favoritism should be shown; yea, not even the quality of mercy should enter into the enforcement of the law against such hideous methods so destructive to our free American institutions.

It must not, however, be forgotten that not every trust and combine is unlawful. Indeed, to trusts and combines, lawful in their formation and purposes, this country is indebted for all the great and mar-

velous achievements which has placed America in the front ranks of all the nations of the world. It was a combination of capital that made it possible to spin across the continent in magnificent Pullmans, with all the conveniences of modern travel, from New York to San Francisco, a distance of 3,562 miles, in the incredibly short space of ninety-six hours, without change of cars, and to take your supper in Montgomery or Birmingham to-day and your dinner in Chicago to-morrow. It was a combination of capital that forced old mother earth to disgorge her teeming millions of hidden wealth of iron, coal, gold and silver ores which had been concealed in her bosom through countless ages past. Destroy the power to combine and the universe would crumble into ruins "amid the war of elements, the wreck of matter and crash of worlds."

Combination of capital makes your cities, develops your resources, and is the foundation stone upon which happiness and prosperity rest; your magnificent street railways, your great iron furnaces, steel plants, rolling mills, railroads, waterworks, sanitary sewerage, cotton mills, and even your churches whose proud spires touch the fleecy clouds are all the direct and healthy offspring of combinations. It is the law of nature. The flower blooms and sheds its petals, and, absorbing colors from its neighbors, gathers a combination that makes possible the lily and the rose. The eyes feast daily upon the beauties of nature, the result of combination. The inner man is daily fed upon a combination of food. It takes salt, soda, lard, milk, and flour to make good biscuit, and in southern parlance the dearest morsel vouchsafed to the descendants of Ham is a combination of cold "possum and taters." [Applause.] It follows, then, that it is the abuse of the power of combination and not the combination itself which is unlawful or harmful. While salt, soda, lard, milk, and flour properly combined make good bread, the staff of life, the same combination with strychnine added would become the destroyer of life. The one would be lawful, deserving the support of all men, and the other unlawful, whose compounder would deserve a felon's death. Let us not, then, in our efforts to root up the tares, destroy the wheat.

Of recent years there has been much agitation looking to governmental ownership of railroads. If the combination of all the railroads into one vast system under governmental supervision is dangerous by reason of the centralization of capital, how much more dangerous would such centralization of power be in the hands of the Federal Government? Let us pause a moment to consider the magnitude of this question. The total valuation of railroads in the United States is \$12,559,990,258. They have in their employment a total of 1,312,537 persons, who at present owe allegiance to the different States and whose political complexions are as varied as a leopard's spots. Think of it! A party already in power, with this patronage, and the appoint-

ment of more than a million employees, could not only perpetuate itself in power, but in a few years build up a monarchy, and our free institutions, now the proud boast of every American citizen, would become the laughing stock of all the nations of the earth. Let the railroads combine and combine until every mile is under one vast system, and I have sufficient confidence in our Government to believe that under proper supervision these combinations could be made a blessing instead of a curse to our nation. [Applause.]

Governmental supervision, reasonably and justly administered, and not government ownership, is, to my mind, the only solution of this great problem. It might perhaps also be said with some degree of truth that if our State and national leaders in politics would cease their wild and unmeaning rantings against railroads, combines, and trusts, and their appeals to the passions and prejudices of the great masses of the people, arousing bitter partisan feelings in the minds of the unthinking public for the upbuilding of their own or their party's political fortunes, and turn their attention to a serious and conscientious study of this question along broad and statesmanlike lines, a remedy would soon be found that would conserve the interests of the public and the railroads as well. The people and the railroads, unfortunately, look only upon one side of this question, and that side only which affects their individual interests. These thoughts, it seems to me, suggest the idea that should provide a remedy.

At the risk of being thought tedious, I have gathered a few facts and figures which should be of interest to every person who studies the problems of railroading in the United States.

On June 30, 1903, the total number of miles of single track was 207,977.22; substantially complete returns upon 205,313.54 miles, including 5,902.87 miles of line on which track privileges were exercised, show gross earnings on that date of \$1,900,846,907. Total operating expenses, not including amounts paid for damages and taxes, were \$1,257,538,852, showing net earnings above actual operating expenses of \$643,308,055. The average gross earnings per mile from operation was \$9,258; average operating expenses per mile were \$6,125, and average net earnings per mile were \$3,133. These figures are quite interesting to a student of the transportation problem in the Southern States:

In Alabama:

Average gross earnings per mile	\$5,079.83
Average operating expenses per mile	3,834.49
Average net earnings per mile.....	1,245.44

In Georgia:

Average gross earnings per mile	5,033.80
Average operating expenses per mile	3,561.72
Average net earnings per mile.....	1,502.57

In South Carolina:

Average gross earnings per mile	\$4, 247. 00
Average operating expenses per mile	2, 916. 00
Average net earnings per mile	1, 331. 00

In Texas:

Average gross earnings per mile	5, 744. 50
Average operating expenses per mile	4, 738. 29
Average net earnings per mile	1, 006. 21

I have been unable to ascertain the figures for the States of Mississippi, Louisiana, and Florida, but these States would show no higher earnings than those quoted.

These statistics have been gathered partly from the report of the Interstate Commerce Commission, partly from the reports of the railroad commissions of the States named, and from other reliable sources. Now, while these figures show that the gross earnings in the group of Southern States named are much smaller and that the net earnings are less than one-half the general average, and that railroad development in the South is yet in embryonic state, still the trend of development is southward, and it takes no prophet to foretell that with fair and just treatment of our railroads we will in a few years more become the peers of any section of this great country. It behooves us, therefore, in the South particularly, to treat capital fairly, and to work out this great problem patiently and with untiring energy. If we should make the fatal mistake of mulcting our railroads in unlimited damages for slight personal injuries and burdening them with heavy and unjust taxes, and at the same time reduce their revenues below that point which would yield them a fair return upon their invested capital, it can be easily seen that, like the owner of "the fabled hen that laid the golden egg," we would destroy the very source of our greatest prosperity.

In nearly all States of the Union there has been and will continue to be a clamor for a decrease in the cost of transportation. Many and ingenious have been the plans devised to bring about this much-desired result. The fact that the railroads have prospered for the past several years has given impetus to this movement.

While their operating expenses have greatly increased, and the cost of construction and the wages of employees are largely in excess of what they were a few years since, still, on account of the prosperous conditions which have prevailed, their gross as well as net earnings have also increased, and there has been a remarkably healthy condition in their financial affairs. In view of these facts, I do not like to take a pessimistic view of the future, but, as I see it, a note of warning should be sounded and a spirit of conservatism prevail in the future exercise of governmental control of the vast railroad corporations of this great country. The railroads owe the public the very best service at the very cheapest cost which their financial conditions can sustain, but let

us not, in our eager desire for better service and cheaper transportation, lay our hands so heavily upon them as to retard progress or to result in depriving the owners of their property without due process of law.

It may be a source of information, and possible surprise, to tell you that, according to the report of the Interstate Commerce Commission, in 1902 the railroads of the United States paid as damages for injuries to persons alone the enormous sum of \$11,682,756. I have not the figures for 1903, but assume that the amount is at least as great if not greater. I have ascertained the number of accidents which happened during the year ending June 30, 1903, and find that the total number of persons killed in the United States was 9,840; injured, 76,553; total, 86,393. Placing the damages at the same amount as 1902 I find that this gives an average of \$1,352 which the railroads have paid for every person injured. Of this number only 355 passengers were killed and 8,231 injured. I also find that only 1 passenger was killed out of a total of 1,957,441 carried, and only 1 injured out of a total of 84,424 carried. The other persons killed and injured were employees trespassers, etc. It would seem from this that railway travel in the United States is at least reasonably safe.

Damage suits against railroads, however, in nearly all the States, have become a fad, and it is commonly understood that when a case of this character reaches the jury, it is, as a rule, decided favorably to the party injured, and verdicts are often rendered entirely out of all reason and sense of justice.

If it be urged that the railroads themselves are largely responsible for the feeling of prejudice which exists against them, and which enables the damage-suit lawyer to work on the prejudices and sympathies of local juries and obtain big damages for slight injuries, this fact being conceded, only accentuates the necessity for the conservative element to dominate and control in all the affairs of State. The juries, who are nearly always composed of men who desire cheaper rates of transportation, should not forget that any unjust damage imposed by their verdicts against the railroads must be paid out of earnings, and, at last, but adds to the cost of transportation, and makes the work of railway commissions more difficult in securing reductions in freight rates.

It is also an interesting fact that the gross amount of taxes paid by the railroads in the seven years from 1895 to 1902 increased from \$39,832,433 to \$54,465,437. This represents \$269 of taxes paid by every mile of line, and is an increase of \$50 per mile for the period named. Think of it! Fifty-four million four hundred and sixty-five thousand four hundred and thirty-seven dollars for taxes; \$11,682,756 for personal injuries; a total for these two items alone of \$66,150,293 paid annually by the railroads, which, together with all other expenses, etc., they must necessarily earn before declaring one cent of dividend,

and it is estimated that the railroads in 1904 will pay \$60,000,000 taxes, or nearly 10 per cent of their net earnings to the several States through which they run. It follows, logically, therefore, that every unjust burden laid upon the railroads increases the cost of transportation and makes it all the more difficult to bring about reductions.

I have always believed in reasonable governmental supervision of the railroads. In my judgment, it is not only a necessity, but has become a fixture in the policy of our government. I believe also that damages should be awarded in every case where justice demands, and that the burdens of taxation should be justly and equitably shared by the railroads with the people of the several States, but I have never had any sympathy with, or respect for, that opinion and feeling that corporations should be treated as soulless, or denied the right of equal protection under the law. An enlightened public sentiment should uphold the railroads in every legitimate effort to upbuild the country, and restrain them only from acts of oppression and abuse of power.

It is axiomatic that the prosperity of railroads and the prosperity of the people are interdependent. In the interest of self-preservation, therefore, if for no other reason, the efforts of railroad managers are constantly being directed toward upbuilding the country. They could not hope to lessen their burdens or increase their revenue by throttling enterprises; such a course would be suicidal, if effective.

The disposition, which has become a mania in some communities, to war upon and denounce railroads, is founded upon a mistaken conception of the very principles which underlie the construction of all industrial enterprises. However much we may carp upon the so-called oppression of the people by the railroads, the stubborn fact remains that the railroads have been, are now, and will continue to be the greatest civilizers and benefactors the world has ever known.

It is obvious to every thinking mind that when in a conscientious study of this question, conservatism shall supersede prejudice, passion, and radicalism, many of the imaginary evils of the railroad situation will disappear under the cold, clear light of reason, justice, and equality under the law.

It should be borne in mind that railroad corporations are not only common carriers but the owners of roadbeds, and equipment. A common error into which many who are prone to consider transportation rates too high fall, is the error of disregarding the cost of railroads and considering only the expense of transportation from one point to another; the immense cost of construction, operation and maintenance, fixed charges, etc., are utterly lost sight of by the average applicant for reduced rates.

In the exercise of the powers which the several States of the Union have conferred upon you, it should never be forgotten as a plain business proposition, that when the cost of transportation is placed

below that point which will yield the railroads a fair and just return upon their real value, then the inevitable result will follow that the railroads will either go out of existence or pass into the hands of receivers. While it is the duty of the State and Federal Government to exercise the power necessary to prevent abuses, correct unjust discrimination, reduce the cost of transportation and improve the service, yet it should never reach that point which would result in oppression instead of fair and just supervision.

I may be pardoned for saying that in many of the discussions, both oral and written, looking to improvement and reduced cost of transportation, these great facts are wholly ignored and policies advanced with such reckless disregard to the rights of the railroads as would be destructive of all development and ruinous to the prosperity of our country. Canals should be dug, rivers made navigable, and additional railroads built whenever and wherever necessity demands. Above all things, the public roads should be improved, so that our rural districts will be built up, thrive, and keep pace with modern advancement, and, indeed, no efforts should be spared which tend in the remotest degree to develop the marvelous resources of our great country. Let us, therefore, encourage all existing enterprises, build up new ones, and expend our surplus energies in the glorious work of peacefully, energetically, and harmoniously working out the destiny of the American people. [Great applause.]

The PRESIDENT. Motions and resolutions are now in order.

Mr. DECKER, acting secretary. I move that we adjourn until half past 9 to-morrow morning.

The motion to adjourn was carried, and at 12.30 the convention adjourned until 9.30 a. m. Wednesday, November 16, 1904.

SECOND DAY'S PROCEEDINGS.

WEDNESDAY, *November 16, 1904.*

The convention met pursuant to adjournment.

The PRESIDENT. The convention will please come to order.

I desire to announce that I am in receipt of a telegram from Hon. Edward A. Moseley, secretary of the Interstate Commerce Commission, who is also secretary of this convention, which states that on account of the serious illness of Mrs. Knapp, the wife of the chairman of the Interstate Commerce Commission, he has found it impossible to be present at this meeting, it being his purpose to do so up to the last minute. He expresses his sincere regret at not being able to be here and his best wishes for a successful meeting. We are very sorry, of course, that Mr. Moseley could not come, but under the circumstances we could not expect him to do so

The PRESIDENT. I believe the first order of business this morning is the report of the executive committee.

Mr. BROWN, of Pennsylvania. I have prepared a brief report, which I beg to submit to the convention.

REPORT OF THE EXECUTIVE COMMITTEE.

Since the holding of the fifteenth annual convention in the city of Portland, Me., in June of last year, there have been two meetings of the executive committee, one held in the month of May in the rooms of the Interstate Commerce Commission at Washington, and the other held on the 15th day of August, in the Pennsylvania Building on the Exposition Grounds at St. Louis.

Under the constitution as adopted at San Francisco in June, 1901, the president and secretary are ex officio members of the executive committee, and at each of the sessions of the committee to which I have referred, the president, Hon. John V. Smith, of Alabama, was present and advised and aided the committee in every way possible in the discharge of the duties devolving upon it with reference to the program and proceedings of this sixteenth annual convention.

By action taken, the chairman of the executive committee was authorized to extend an invitation to James J. Hill, president of the Great Northern Railway, to read a paper upon the consolidation and merger of railway corporations, or upon the community of interests of such corporations. By the same authority an invitation was also extended to E. H. Harriman, president and chairman of the executive committee of the Southern Pacific Company, to read a paper upon any branch of railway interests which he might select. Both of these gentlemen gave some assurance that they might accept, but something like a month ago information was received from both that their engagements were of such a character that they could not be present at this convention.

An invitation was then extended to George F. Brownell, vice-president and general solicitor of the Erie Railroad, to address this convention. This gentleman expressed his desire to attend the deliberations of this body, but on account of important engagements was unable to be present, and regretfully declined the invitation.

Through the efforts of the chairman of this association, I am glad to advise the convention that Col. E. L. Russell, of Mobile, Ala., has agreed to address the convention, and the committee also has pleasure in reporting that Mr. C. Loomis Allen, president of the New York State Electric Railway Association, will read a paper on construction, operation, and public supervision of street railways. At this stage of the proceedings of the convention neither of these gentlemen have reported for duty.

The committee and the chairman of this association have expended no little energy in the attempt to have reports made from each of the standing committees authorized by the constitution adopted at the San Francisco convention. In this connection, the committee respectfully suggests that it is entirely within the power of this convention to add to the permanent and standing committees, other committees such as may be deemed proper on account of the changed conditions which exist in affairs relating to the transportation corporations of this country. The rapidity with which these changes occur, brought about by consolidations, mergers and communities of interest, and by decisions which are made by the courts of the State and the United States district and supreme courts, seems to justify and indeed call for expressions from this body as to the proper policy to be pursued by those exercising supervision over common carrier corporations, or those charged with the duty of enacting laws in the several States and in Congress upon these transportation problems.

Your committee, therefore, begs respectfully to suggest that it is entirely within the province and, indeed, the duty of this organization to consider any of these questions which may be presented by any member thereof, and the committee further

respectfully invites the presentation of any of these important subjects for the consideration of this body.

If the members of this convention shall arrive at a practically unanimous opinion upon any of the great problems of transportation, especially those which may be the subject of legislation, then such consensus of opinion should be embodied in resolutions for transmittal to Congress and to the legislatures of the several States or, perhaps better, be embodied in bills and sent to these legislative bodies for enactment.

An instance of the importance of this suggestion is seen in the proceedings of this body for many years upon the subject of grade crossings. Our committees have devoted much time to this subject, which so closely concerns human life and limb. The deplorable conditions have been portrayed in reports of committees, and some suggestions have been made as to what should be done, both in Congress and in the several State legislatures. This committee respectfully suggests that in case the present permanent committee on grade crossings shall not present any bill for presentation in the halls of the several State legislatures and in Congress, the next committee be instructed by this body to carefully consider this problem and prepare a bill conservative in character, but wholesome in its application, in order that this association may at its next annual convention be able to make a creditable deliverance upon this subject and recommend a bill for enactment in the legislative bodies of all the States, and perhaps for introduction in Congress as well.

There are other subjects which concern the welfare of passengers and shippers and common carriers that this body ought to be able, and undoubtedly is able, to pass upon with intelligence, and formulate legislation concerning them for introduction into the State legislatures and into Congress.

It is the opinion of this committee, and this position is reenforced by the deliberations of this body and the purposes for which it was called into existence, that there should be an assimilation of the laws in the several States with reference to railroad construction, railroad operations, and the public supervision of railroads. How important, therefore, it is that to all the subjects considered by this body there should be given the most conscientious, careful, and intelligent thought, and when such thought shall be formulated in concise language, a deliverance should be made by this organization of such a character as to carry conviction as to its merits and to commend it to favorable action by legislative bodies.

Here is a suggestion, also, which the committee desires to make. There is another subject which it would be proper for this convention to consider, should time permit, or which might be considered at the next annual convention, and that is the granting of charters for competing lines of railways. The policy which has been in vogue during the existence of this republic has encouraged competition. Thoughtful men are beginning to question the correctness of this policy, or at least are becoming of the opinion that there ought to be some limitations placed upon the expenditure of moneys for the construction of competing steam and street railways, where one line is already in existence and is capable of conserving public interests, or the convenience and comforts of passengers, and of furnishing facilities for the transportation of commodities, or where such line already in existence may be made to conserve the welfare of passengers and shippers.

It is claimed, and perhaps justly, that had there been no competing lines constructed where one line is actually able to conserve all interests, less difficulty would now be met in the great problem of establishing fair rates for the transportation of commodities. In all the older States of the Union will be found two or more competing lines of railroads paralleling each other through the same territory, and each bidding for the transportation of commodities and passengers in such territory.

If the State is to exercise supervision over the construction, maintenance, operation, and capitalization of these corporations, and is charged with the duty of establishing rates which shall not be burdensome to the public and shall be fair to both

the people and the stockholders of these corporations, why should the State grant a charter for a competing line, when one line can be made to meet the demands of the public in every way?

If, for instance, through any of the great valleys of any of our States one line is constructed, or may be constructed, and it can supply every facility for transportation which is needed in any way, and such construction has involved the expenditure of \$50,000,000, more or less, why should the State permit or encourage the expenditure of another \$50,000,000, more or less, for the construction of a competing line? The result of such a competing line, almost universally, is the lowering of rates for the time being, through competition, but in the end consolidation, merger, or if this can not be accomplished on account of constitutional objections, then the formation of the latest invention by which relief is found, a community of interests. Thus competition is balked, and \$50,000,000, more or less, are wasted, or new rates are established based upon a construction account of \$100,000,000, more or less, when if proper public policy were observed, such rates could be based upon a capitalization of \$50,000,000, more or less, the people furnished all the necessary comforts, conveniences and facilities at a less rate, and the railroad security holder receiving certainly as good an income upon his investment.

The committee does not desire to discuss this question, but to suggest it to the convention with a view that at the next session of this body, which will be held in the year 1905, a committee, if it please the convention, may be appointed to examine carefully into this great problem concerning railway construction and operation, and if it shall be able to arrive at a conservative conclusion, so report to this body and present a bill for its consideration, which, if favorably acted upon by this organization, may be presented to the legislative bodies of the country for their consideration as well.

In concluding this report of the executive committee, the chairman desires to commend the faithful and energetic services of Hon. J. V. Smith, chairman of the association, and his attempts to make this sixteenth annual convention a credit to the association and helpful to the members thereof in the consideration of the important questions upon which they are called to pass.

Mr. BROWN, of Pennsylvania. The committee is further able to report that Mr. W. W. Morgaridge, of Pennsylvania, will read the report on classification of operating and construction expenses of electric railways, Mr. W. O. Seymour, the chairman of that committee, of Connecticut, being absent.

On the question of grade crossings Hon. Clinton White, of Boston, Mass., was the chairman, but no report has been received from that committee although strenuous efforts have been made by the chairman of this association to secure a report.

On the question of railroad taxes and plans for ascertaining fair valuation of railroad property, the chairman of the committee is not present, but a paper has been prepared by Hon. J. N. McKenzie, of Tennessee, who will report for that committee.

Mr. DECKER, acting secretary. Mr. Thomas is present.

Mr. BROWN, of Pennsylvania. And in addition to that Professor Meyer, of the University of Wisconsin, is present and will read a short paper on this very important subject.

On the classification of operating and construction expenses of steam railways no report has been filed.

On the question of uniform classification and simplification of tariff sheets Hon. W. T. Sanders, chairman of the committee, of Alabama——

The PRESIDENT: I don't believe I informed you of it, but Mr. Sanders declined the chairmanship of that committee on account of the fact that he didn't have the time to prepare a paper on that subject; and I think probably Mr. Decker, of the Interstate Commerce Commission, in the absence of the chairman, has prepared a paper on that subject, which will be read to the convention.

Mr. BROWN, of Pennsylvania. Very well. Hon. Henry C. Adams, statistician of the Interstate Commerce Commission, will read the report on railroad statistics; and Hon. J. C. Clements, of the Interstate Commerce Commission, the report of the committee on legislation.

The chairman of the committee on safety appliances is Mr. Edward A. Moseley, and his report——

Mr. DECKER, acting secretary. Mr. Kilpatrick will present that report.

Mr. BROWN, of Pennsylvania. Delays attendant upon enforcing orders of railway commissions, of which committee Judge Mills is present and will read the report of the committee.

Rates and rate making——

Mr. DECKER, acting secretary. Mr. Crump has the report.

Mr. BROWN, of Pennsylvania. Mr. Crump, of Virginia, is the chairman of that committee, and his report is here and will be read.

Mr. Adams, of the Interstate Commerce Commission, desires to leave the city this afternoon, as does also Mr. Clements, the chairman of the committee on legislation, and I would be glad if when the reports of the committees are called that you call those first, if there is no objection, as they would like to get away; and I respectfully suggest to the president that the paper that has been prepared on the question of ascertaining the value of railroad property for the purpose of taxation be read this morning.

The PRESIDENT. You have heard the report of the executive committee. What will you do with the report?

Mr. DECKER, acting secretary. I move the report be adopted.

The motion was carried.

The PRESIDENT. Then, the first report will be the report of the committee on classification of operating and construction expenses of electric railways.

Mr. MORGARIDGE, of Pennsylvania. The report of the committee on classification of operating and construction expenses of electric railways should have been made by Mr. W. O. Seymour, the chairman, but Mr. Seymour not being present I have undertaken to prepare a short report.

*REPORT OF THE COMMITTEE ON CLASSIFICATION OF OPERATING AND
CONSTRUCTION EXPENSES OF ELECTRIC RAILWAYS.*

Your committee appointed on classification of operating and construction expenses of electric railways, submits the following report:

In pursuance of a resolution adopted at the ninth annual convention of the National Association of Railroad Commissioners, held in St. Louis, a committee of three, consisting of Hon. William O. Seymour, of Connecticut, Hon. Ashley W. Cole, of New York, and Hon. R. S. Kayler, of Ohio, was appointed to prepare a form of classification of the construction and operating expenses of electric railways.

This committee had the cooperation of a committee representing the Street Railway Accountants' Association of America, and as a result of their labors a standard system of street railway accounting, covering the classification of operating expense accounts, was adopted at the convention held at Denver, Colo., in 1899. This classification has been adopted in several States, including New York, Illinois, Connecticut, Pennsylvania, Virginia, Vermont, and Massachusetts.

So far as your committee knows, this system has given general satisfaction, and we have no suggestions or changes to offer. Your committee recommends its adoption by all the States requiring reports from street-railway companies, and we also recommend the use of the standard form of report for electric railways adopted by this association at its convention held in Portland, Me., in July, 1903.

Mr. MORGARIDGE, of Pennsylvania. This report is signed by A. L. French, Benjamin F. Chadbourne, W. W. Morgaridge, and will be signed by Mr. Ham. I have a letter from Mr. Seymour indorsing the report.

In this connection I desire to say that at the meeting of this committee last night we had with us representatives of the Street Railway Accounting Association of America, and at the time this report was prepared there was no doubt in our minds but what this classification covered everything required. The representatives of the Street Railway Accounting Association last night stated that there were some minor changes in the classification relating to interurban railroads, and they also stated that a committee representing their association had been appointed to confer with this committee which will be appointed on this subject for the next year to make such minor changes as may be deemed advisable in this classification. It might be better, perhaps, if some member of that association was enabled to talk to the members of this convention on those changes. With the consent of this convention I would like to call upon either Mr. Duffy or Mr. Brockway or Mr. Ham, or some other member, to state what those changes are. I desire also to state that Mr. Brockway, secretary of the Street Railway Accounting Association, has copies of their standard form of report here to-day and will place them upon the secretary's desk, where any member can obtain a copy. We used this form in Pennsylvania last year with success. There hasn't been one single complaint from any railway company.

Mr. BROCKWAY. We prefer that Mr. Duffy should make this explanation on the part of the Street Railway Accounting Association, and

we just have word from him that he has been delayed and will be here in a few minutes.

The PRESIDENT. This report will be taken up again as soon as Mr. Duffy comes in.

I call for the report of the committee on legislation at this time. Judge Clements, of the Interstate Commerce Commission, will make that report.

Mr. CLEMENTS, of the Interstate Commerce Commission. Mr. President and Gentlemen of the Convention: The committee on legislation begs leave to submit the following as its report:

REPORT OF THE COMMITTEE ON LEGISLATION.

A report on legislation to this convention should embrace the subject of State as well as interstate railway legislation. The subjects of State regulation, whether accomplished, or desirable for greater uniformity in matters where harmonious action is needful, though peculiarly appropriate for the consideration of this association, have been generally omitted in committee reports on legislation. This is doubtless due to the overshadowing importance of needed legislation for effective regulation of rates and facilities pertaining to the vast volume of interstate traffic. These often substantially affect the rates and service in connection with commerce wholly within one State.

A comprehensive report upon the powers of the various State commissions has long been needed. The Interstate Commerce Commission, realizing the value of such a report, has had prepared and published a twelve-year review of State railway regulation up to and including the year 1902. This is an appendix to the sixteenth annual report, but printed separately, and is here made part of this report by reference. The size of this paper will not allow its embodiment in this report, but 100 copies have been brought to the convention for distribution by the secretary upon application. If errors of statement be found therein they should be pointed out for greater accuracy in any revised edition that may be issued. It is further suggested that this association might well devote some time to a general discussion of the subjects of State legislation relating to railway regulation, thus giving the same place in its permanent records.

At previous conventions the passage of a law for the advancement in the Federal courts of cases involving the validity of State railway regulation has been recommended. Litigation of such great public import should be concluded with all practicable dispatch. Some courts may have recognized the propriety of advancing such cases. But the effort to secure the right to prior hearing should be renewed.

At the last convention of this association no report upon legislation was presented, but, following the course pursued at practically all previous meetings the views of the members were expressed in favor of amending the act to regulate commerce. A resolution was unanimously adopted favoring authority for the Interstate Commerce Commission, upon complaint of an unreasonable or unjust rate, after full hearing, to ascertain the reasonable and just charge and to order the carrier to observe that rate for the future, subject to rehearing and showing of changed conditions.

Had a report upon legislation been made last year it would properly have included a statement of some important provisions of the act of Congress commonly known as the "Elkins law," of February 19, 1903. This statute abolishes the imprisonment penalty for criminal violations of the act to regulate com-

merce, but increases the maximum fine to \$20,000, makes the corporation as well as the officer or agent of the carrier liable, requires strict observance of the tariff rate, condemns the acceptance as well as the allowance of rebates, fixes the jurisdiction in any court sitting in the district wherein the violation is committed, or through which the transportation may be conducted, makes the act of the officer or agent the act of the carrier, and provides that when a carrier files or publishes a rate or participates in any such rate, that rate, as against such carrier, shall be conclusively deemed to be the legal rate in any prosecution begun under the act.

In all proceedings before the Commission or in the court any person interested in or affected by the rate may be made a party as well as the carrier, and such party is subject to order or decree as well as the carrier. Whenever the Commission shall have reasonable ground for belief that any carrier has failed to observe its tariff rate, or is committing any discrimination forbidden by law, a petition for injunction may be presented to the circuit court, bringing in such other parties as the court may deem necessary. The provisions of the expediting act of February 11, 1903, relating to cases in the courts under the act to regulate commerce and the antitrust law, were made by the Elkins Act to apply to cases prosecuted in the name of the Interstate Commerce Commission. This is important in that it enables an appeal direct from the circuit court to the Supreme Court of the United States, thus restoring the procedure on appeal which prevailed under the act to regulate commerce as originally passed and which was changed by a subsequent enactment establishing the United States circuit courts of appeal. The resulting expedition is valuable as far as it goes, but the trial of numerous cases in the circuit courts brought to enforce orders of the Commission is still greatly hampered by dilatory procedure which can be avoided only through changes in the law giving effect to the Commission's decisions. The Elkins Act has operated thus far to largely diminish rebates and other devices used to secretly cut the tariff rate and thereby produce unjust discrimination between shippers. On the other hand, new forms and methods are constantly being devised and applied to accomplish the same results.

The Federal safety-appliance law was also amended in 1903 as to broaden its application and make more certain some of its provisions.

There is much complaint among shippers of the failure of carriers to furnish cars for moving freight and of the great increase of time consumed in transporting the same. Growing out of these conditions there has been considerable agitation and discussion of what is termed reciprocal demurrage. It is claimed that if a carrier can take much greater time to transport and deliver freight without any allowance to the shipper, it is inconsistent and unfair to require the shipper to pay demurrage on account of delay in loading or unloading his traffic. As to these points, no recommendation should be made in advance of their discussion by the convention and such expression of opinion as would constitute the basis of intelligent and fair action. It may be stated, however, that there is no definite requirement in the Federal statutes for carriers to furnish cars to a shipper, and the only method whereby he can obtain damages or other relief under the act to regulate commerce is by showing unjust discrimination in the furnishing of car facilities by the carrier in favor of other shippers.

While there are many other matters of greater or less importance which might be mentioned, the chief defect in the system of Federal regulation is the lack of public control over the rate in issue. The power of the Interstate Commerce Commission to investigate and obtain information is full, and this power has recently been most emphatically affirmed by the United States Supreme Court in a proceeding brought to compel the testimony of a number of recalcitrant witnesses in a proceeding pending before the Commission involving the

legality of rates and practices applied in the transportation of anthracite coal from mines in Pennsylvania. (*Interstate Commerce Commission v. Baird et al.*, 194 U. S., 25.) But in the case of an unreasonable rate the power of the Commission is limited to the condemnation of that particular rate. It can not, when it finds upon proof an unreasonable rate, prescribe in its stead such rate as is shown by the evidence to be reasonable or even prescribe a maximum reasonable charge. If it had such authority under the present law of procedure, the carrier need not obey its order until after the successful prosecution of a proceeding for its enforcement in the Federal court.

In the present state of the law the Commission, in order to afford relief of value to shippers and communities, must not only render a just decision, but one that is convincing to the carrier, for if not so convinced the carrier may stand upon its present right to ignore the order, and the time involved in the enforcement of the same generally means a postponement of years, equivalent in most cases to a denial of justice. Orders in important cases are therefore the most likely to be disobeyed.

In any one of the twenty or more States having railroad commissions, with power over the rate, this condition would be regarded as intolerable, and the crystallization of public opinion which so readily occurs in a single State concerning matters relating to its government would speedily force the necessary remedial legislation. The great number of questions affecting the public at large, including those constituting political issues, the wide extent of territory, and the multifarious interests constantly clamoring for Federal legislation, render vastly more difficult any attempt to induce remedial legislation by Congress affecting these transportation corporations, which represent an aggregate capitalization equal to about one-tenth of the country's total wealth, and tax the commerce of the country for carriage in a single year a sum nearly equal to three times the annual revenue of the Government. The public agitation for this amendment of the Federal law has been constantly increasing, but those interested in opposing such amendment have been correspondingly active, and thus we have practically a repetition of the campaign for Federal railway regulation which, after a long struggle, ended successfully in 1887 in the passage of the act to regulate commerce.

That there shall be no misconception, it should be again stated that the present public demand is not that the Federal Commission shall fix whole tariffs of rates in the first instance, or at any time, but simply that when a rate is complained of by a shipper or community and shown to be excessive the Commission shall have authority to prescribe the reasonable rate indicated by the evidence in the particular case, and that the order of the Commission shall go into effect unless the carrier can show in a suitable proceeding in court that some of its just property rights would be thereby destroyed. The accomplishment of this main purpose of regulation requires some ancillary powers, such as authority to require through routes and through rates and prevent, pending immediate investigation, large and numerous advances in long standing rates and radical changes in adjustments of rates to which commercial affairs have become alike adjusted for long periods.

The frequent recognition by this Association of the necessity for such amendments to the law renders unnecessary, with one exception, further reference in this report to the cogent and oft-repeated reasons therefor. The exception is the disappearance of competition. The unification of railway interests has progressed to such an extent through actual consolidation, control of stock in previously competing lines, the affiliation of stockholding interests, sometimes called community of interest, and in other ways, that the competition between carriers, which formerly operated to keep down rates, and certainly prevented whole-

sale increases, has been very largely suppressed, and can no longer be relied upon as a sufficient or powerful factor in protecting the public interests. This tremendous progress toward common or centralized control has mainly occurred during the past six or seven years. Its effect upon railway rates is forcibly manifested in numerous increased tariff charges. Competition springs from self-interest and can not be compelled by law. Combinations may be declared illegal and consolidations prohibited by statute, but competition results only from the independent activities of those engaged in trade and commerce.

It follows, therefore, that without effective competition in railway rates and with no law providing effective control of the rates, the public lies defenseless under any aggressions or exactions which the carriers may see fit to impose. The public interests, which in so many States have demanded successfully the passage and enforcement of laws for the regulation of these matters within their borders, are affected advantageously or to the contrary respecting interstate commerce according as charges for transportation therein are reasonable and just or unreasonable and unjust, and upon those interests, the interests of the public at large, and those who represent them, rests the burden of securing legislation which will result in their protection from excessive or unfair charges or discriminating practices in the movement of commerce between the States.

The same reasons which have justified the establishment and continued existence in twenty or more States of railroad commissions authorized in effective ways to deal with the transportation rates, and which are now the basis of urgent public demand for rate regulation in other States, apply with even greater force to the much larger volume of interstate commerce moving through all the States and Territories, and in which are concerned in substantial and often controlling degree the interests of practically every merchant, manufacturer, producer, and trader in the United States.

Mr. CLEMENTS, of the Interstate Commerce Commission: A few years ago the Interstate Commerce Commission was conducting an investigation in Chicago which involved the practice of railroads in the Northwest in regard to the grain business—the movement of grain from the Missouri River and west of that river to Chicago, where there appeared to be a great disturbance, and the cause could not be seen on the surface. The Commission called before it the president of one of the great systems of that section and made a witness of him, and after explaining the reasons for the practices established by his road and giving in detail what they were (which I need not repeat here) he stated that for a long time his road had done little or no business in the transportation of grain to Chicago from western points; and not understanding the reason for it, as he had a railroad from Kansas City to Chicago, and from other points also, he set up an investigation, a very careful and continued investigation, and went to the extent of establishing a business house through another person in Kansas City to conduct the grain business so as to get at the inside of the business. And he said, after all his investigation and experiment in that respect, it was demonstrated to him that the only people that could do business were those who had the rate.

I recite that incident simply for the reason that it indicates what, to my mind, is the most important question in connection with this whole

subject of railway legislation and regulation, and that is the rate. The rate is what is complained of. It is the rate and the facilities in connection with the rate. The rate involved is sometimes challenged for its unreasonableness—unreasonable to all people who use it alike. In other cases because of its discrimination either between localities, commodities, or individuals. It has always seemed to me that a system of regulation which prescribes the publication of tariffs, the filing of new tariffs, and various other methods of procedure, but which falls short of reaching the substantial thing, the vital thing always in issue—to wit, the rate—will always be disappointing.

Seventy-five years ago there was scarcely a railroad in this country. Within the life of many men who are yet living the whole system of railways in this country has been established. We now have in the United States 208,000 miles of railway; and this does not include double tracks, switches, and yard tracks, 208,000 miles of continuous railway line in operation. This would belt the earth eight times. It would be equivalent to 70 railroads from New York to San Francisco. All this is part of the rapid development of the period to which I have referred. Notwithstanding there has been authority all this time in the Constitution of the United States for the regulation of this commerce, it was never found necessary by the people to call it into exercise until within recent years. The country was broad and new and population sparse, and every community wanted a railroad, and they were all in competition. But in late years the whole condition has changed. These carriers now, within the last year for which we have complete reports, collected from the people of the United States for the transportation of passengers and freight \$1,900,000,000. The Government of the United States collected for the last fiscal year \$232,000,000 internal revenue, \$262,000,000 customs, and miscellaneous, about \$46,000,000, making a total of about \$540,000,000 in round numbers. This is all that the great Government of the United States, by all these processes of taxation, collects and puts into its coffers for the administration of this Government of 80,000,000 people—45 States and the Territories. And yet the carriers of this country exact much more than three times that amount in one year for transportation service.

I do not use these figures for the purpose at this time of undertaking to show by them that the rates are unreasonable. I use them for the purpose of indicating the magnitude of this business—the importance of it to the public as well as to the railroads. The gross earnings collected in the last fiscal year for which we have report (that for the year ending June 30, 1903) are more than \$600,000,000 in excess of what the gross earnings were five years ago. This shows the increase within five years. It shows that the increase of gross receipts over those of five years ago amounts to more than the annual receipts of the Government of the United States.

Now the carriers pay out the larger part of this great sum that is collected in the conduct of their business for material and labor, etc. They employ now about 1,300,000 persons in the operation of the railroads. And there is needed, of course, to conduct this business with expedition and with a reasonable degree of safety, a large amount of revenue, which must necessarily be borne by the business of the country.

During that same year for which we have full report, ending June 30, 1903, there were killed by the railroads of this country nearly 10,000 persons. More than half that number were neither employees nor passengers. This fact indicates the necessity, as the population of the country grows in density and in numbers and the traffic and commerce grow in volume and density, the absolute necessity that must come upon the carriers to get rid of many grade crossings, and the necessity for many other reforms in respect to the safety of this business to the public as well as to the employee.

During the same period there were injured more than 75,000 persons in the conduct of the railway business of this country.

Now, I have stated these figures in order to try to be fair to both sides of this question. I know there is strenuous and radical objection on the part of the railways of this country to any public control of rates—that is, the making of any rate for them. And I recognize that there must be increased expenses in the conduct of this business. All these figures show what a great interest the public as well as the carriers have in this question. They show that the carriers collect about \$24 for each man, woman, and child in the United States in the course of a year. It amounts to about \$120 for each family in the United States, allowing five persons to a family.

The law says now that all rates shall be reasonable and just and that there shall be no undue preference or discrimination as between persons, commodities, or places. No one can find any objection to that. No railroad president or railroad lawyer ever argues against the good morals, the justice, the rightfulness of these general declarations in the law; but the trouble comes when the public undertakes, through its legislative department, to enact a system of procedure whereby the general purpose of the law declared in these beneficent provisions shall be made practicable, and shall be applied in the everyday operations of business. There is where the difficulty arises. And all legislation which proposes for the public to fix the rate is fought bitterly, vigorously, enegetically, and it is declared by the railway interests to be revolutionary and destructive of property rights and the investments of carriers, which are sacred and ought to be protected. And so far the people of the United States, who are equally interested with the railroads in this matter and who have equal rights involved, as declared in the present law, have not yet forced needed reforms in this particular. This is an issue which will not down; it is a matter

which touches every business interest in this country; touches every consumer and every shipper and every manufacturer, and it is impossible that the question can be dismissed or that it can be placed aside because of the fact that it grows more and more acute all the time.

Now, why is it continually urged that this would be revolutionary and radical legislation? If the public is entitled to just rates, as the law declares—and nobody will dispute that as a theory—there ought to be some way in which it should be able to secure them. The shipper or the interested party in the matter of transportation must have a right somewhere to protest against the rate that is applied to him and to his business. If he has any rights involved in the amount of the rate, there must be a forum somewhere in which he can make complaint that the carrier must answer, and the issue be met. We have that forum now. The right to complain exists, the right to force an issue about it exists. It is as old as the English common law, as old as civilization itself, that such an issue ought to be tried by a tribunal that stands impartially between the parties. We have the forum now. But the result is that when an order is made upon trial and upon investigation, it is the right of the carrier to utterly ignore it. Then, when suit is brought to enforce it, another issue is joined, time goes on, years roll by, and the matter is not determined.

What the shipper is entitled to under the theory of the law, is a just rate upon which to ship, not the basis for a suit for damages that occurred last year or years before. It happens that this business is so peculiar and so different from other kinds of business about which issues are tried in the courts of the country, that redress in court for damages on account of an unjust rate amounts to nothing; it is no remedy at all. What the public is entitled to is a just and reasonable rate, not upon which to found a lawsuit, but upon which to ship to-day and to-morrow; because the business of the shipper depends upon shipping. The railroads have become an absolute necessity. They are not a luxury; they are a necessity. The shipper must ship, the manufacturer must ship, the farmer must ship; whether the rates are reasonable or not, he must ship. He can not get his cotton to market without a railroad. The iron producers can not supply the markets where their products are desired except by the use of railroads.

Now, we are told that the common law is sufficient, and that the courts are sufficient; because if one pays an unjust charge, if his business is damaged by reason of discrimination, the courts are open, as they are to everybody else, for trial of the matter. But as suggested a moment ago, this is no remedy to the man who is entitled to a just rate, because it involves a multiplicity of suits continuously all the time during the whole life of his business. It puts him at issue with those who serve him; it is an invitation to constant litigation and issue and contention over miscellaneous and multifarious little

matters, few of which, perhaps, would be sufficient in his judgment to base a lawsuit upon. The attorney's fees, the cost, the trouble and expense of conducting the controversy growing out of the excess charged on the numerous shipments that he makes simply render the ordinary mode of redress inadequate. It is mockery to say to the shippers and producers of this country that the courts are open to recover excessive charges. You may search the law books of this country through, and you will not find a case where any shipper has, through the courts, ever obtained a judgment for one dollar on account of an unreasonable rate. Judgments have been obtained on account of overcharges, where the published rates have been exceeded, and in some instances where damages have been caused by discrimination; but you will search in vain for a judgment against a carrier of interstate commerce because of an unreasonable rate. There have been sums recovered on account of overcharges in excess of the published rates; but if the published rate is charged, it matters not how unreasonable it is, the shipper must pay the charge. He must pay it or not ship. He has no remedy that is worth anything or that will not cost him more than he will ever recover after he has made the shipment and undertakes to get back the excess.

This is a peculiarity of this business, of issues that arise between shippers and railroads with respect thereto as distinguished from all other issues. If one commits a tort, a damage to another or his property, to his house or to his field or stock, or anything of that kind, complaint is made, issues are joined, and the matter is tried, and the verdict may cover the damage. If you are in business where you are constantly buying raw material and shipping it in week after week, manufacturing it, and shipping out the product daily and weekly throughout the year, and the rates which are made unjustly discriminate against you, so that the territory which you can easily reach is taken charge of by some other producing center which has a better rate into that territory, and if such discrimination is not well founded, the measure of your damage is not the difference in the freight rate—the difference between the unjust rate you pay into that territory and the reasonable rate that is charged from some other community into the same territory—that isn't the measure of your damages. Your business is injured every day. The field of your operations is circumscribed, and there is no commission, no court, no jury, that can ever measure these damages. They are immeasurable; they are not ascertainable. We all know that the rates are hurtful, that they are injurious—in some cases destructive to the business—but there is no rule by which you can sum up and say what that damage is. It is not ascertainable, but it is real and substantial; sometimes it is ruinous. Hence, the necessity of having the rate right when you ship.

I might enlarge upon this in regard to the other branch of the question, unreasonable rates. If the rates are excessive and your business is burdened thereby, does it make good your losses to pay back the difference between the unreasonable and the reasonable rate? Not so. The greater damage is in respect to the effect upon your business—the injury to it. Take the cotton producers in this country—I might just as well take the corn producers in the West or the wheat producers—suppose the rates which are applied are unreasonable when the shipments are made, and the matter goes on and the whole crop is moved before the rates can be changed, and that business—an immense business—may be unjustly hampered by unjust rates. After the shipments are made the courts are open, we are told, to the recovery of the damages. Not so to the injured party. The man who has shipped is the man who has bought the cotton or the wheat or the corn; he is the middleman; he has bought it upon the basis of the established rate that applies. He ships on that rate and sells to his purchasers, the consumers, in other parts of the world, and the traffic is burdened with that charge clear on until it gets to the consumer, and he bears the rate, or a large part of it, because it is simply a part of the cost of the article; it follows it until the consumer pays it.

Now, he has no standing in court under the law to sue for a part of that rate. The man that produced the wheat or the cotton or the corn did not sue, because he did not ship. It would result that the man who bought from the producer and sold to the consumer would be the only one who had a standing in court to recover the excessive charges, and he would make it up by advancing the price of the article to the consumer.

I mention this so as to point out the difference in redressing in court wrongs of this character, and wrongs in respect to other transactions. The protection that the public ought to have is the establishment of a just and reasonable rate before the shipper ships and when he ships. If he does not have this there is no power, no means that can be established to approximate justice in the way of redress. Nothing can be done in the ascertainment of the amount of damage to the person who has been most injured. It can not be done. Then is it not reasonable for the shipper or the producer, who is entitled under the theory of the law to a just and reasonable rate, to demand a remedy that will give him his right? A procedure that will ascertain and measure that right, which is acknowledged to exist, is simply the application to present conditions and to this particular kind of business of the principles of justice and equity that are as old as human civilization. There is nothing radical in that, nothing extreme, nothing unusual. The world moves. New forces come into power. The railway has come in within the last seventy-five years to its tremendous proportions, affecting the interests of everybody in this land. It

is a new condition; and the regulation of the rate between the parties at interest, both of whom are seeking gain and profit and success in business—the regulation of the rate in an effective and just way, I say—is not radical, not revolutionary, but is simply the plain application of the old principles of justice and equity that have been acknowledged all the days of civilization. It is simply applying the old and homely rule, “to live and let live.”

Now, it is not a question of confiscation. We hear it said that the power to fix a rate is taking away from those who have invested their great capital for the development of the country; that it is destructive of property rights. I acknowledge—we all must acknowledge—with gratitude and pride the development of this great railway system of the country, which has penetrated the desert and the prairies, and has been able to open mines and build great cities and communities, and unlock and make available our natural resources. What would be the condition of this country if there had been no railroad built as compared with its present condition? But is it possible that conduct of all this business, which returns to the railroads in gross revenue nearly two billion dollars a year, can be carried on with such accuracy and fairness by the railroads and by their managers and traffic men, with such absolute fairness, that there can be no room for controversy about a rate? Why, we are told that the railroad is interested; that it is equally interested, and it ought not and would not feel disposed to destroy its patrons, destroy their business, because it is interested in that business. This all sounds reasonable; it is reasonable in the main. It is not to be expected that they will go to the extent of destroying a business that is valuable to them. But if we conclude that they alone seek to make every rate reasonable and just and right, and uproot all discrimination, we contradict all history and all well-known instincts of humanity. Why, to admit that is to say that this convention ought not to be here. To admit that is to say that there ought to be no railroad commissioners anywhere. And we might go further and say that many courts and laws of this country might be dispensed with. If we are going to rely upon the principles, the natural dictates of good business sense, the sense of justice and equity between man and man, many of those things might be dispensed with. But the experience of the world is otherwise—that this can not be relied upon to protect one interest as against another. There must be some forum somewhere in which questions of this kind may be tried and adjusted, and, too, by a body that represents one party as much as the other, one interest as much as the other, and fair to all.

It is an anomaly that in this business one party to the transaction is practically allowed under the law to say what the other one shall pay for the service rendered. The public gives the franchise, gives the charter, gives public protection to this property, which is right. It

is sacred; it ought not to be confiscated, either directly or indirectly. It can not be under the Constitution of the United States. But it is no more sacred than other investments and other property and other kinds of business; it is equally so, but no more so; and there ought to be as strong a hand to stay the confiscation of other investments of manufacturers, farmers, shippers, and the patrons of railroads. I say their investments ought to be just as sacred as the railroad investments, and they ought to be protected against confiscation by unjust rates just as much as the railroads are.

This is a fair proposition, and upon theory it will not be denied; but the contention always comes to this, that the interests of the roads are such with their patrons that they can not afford to do them wrong, and that to authorize a public tribunal to touch the rates, to fix the rates, is to take away from those who own the investments the right to fix their own charges. The necessity for this arises from the very nature of the business. The public has given them the right to use these highways; they are public highways; they have exercised the sovereign power of the State in establishing them; they can condemn private property to do it; it is done in the public interest, but their investment there is a private interest; it is for gain, just as other business is for gain. And every railroad is of necessity more or less a monopoly, and I use that word in the old common-law sense, the true sense, because every man can not have a railroad. If one man charges you more for a pair of shoes or a hat, you can go to another, but if you live upon a railroad and have a farm or a factory, and there is no other railroad near, you must ship over that one. It is a necessity; it is a monopoly.

Since we have had turnpikes in the United States the public undertook to direct what the toll should be, for the simple reason that every man could not have a public highway of his own, and it was a monopoly, and that human nature with a natural desire for gain could not be trusted, so that the interest of one man could rightly determine the rights of the other men. And that is exactly the nature of this issue. Not only is it of necessity in its very nature a monopoly, but it is becoming more and more so by reason of the disappearance of competition by one method or another. There is practically now no independent making of rates by one railroad as against another. You can theorize about it; you can explain the methods by which the rates are made, but we know that they come together in one way or another and look the situation over, and they agree not to compete in the matter of rates below certain points. You can not make them do it. You may break up their agreements under the antitrust law or antipooling law. You can take a horse to water, but you can't make him drink. You can't make those roads compete, as I have said. You may break up their agreements, but if they reach the same conclusions that it is

more to their interests not to reduce the rates, you can't force competition between them.

Now, that is a condition which makes it more and more necessary year by year as these conditions increase and as competition disappears—it becomes more and more vital all the time that there should be some control of the rate. Why, look into the other common affairs of business; there are so many people engaged in the manufacture and sale of ordinary articles of traffic that in their independent activity for business they bring the price down to where there is about a just and reasonable margin of profit in its manufacture and shipment, and there it stops and ranges around there naturally, like the flow of water. It is the power and force of independent activities in the same business, in the same field of operation, that have done these things, and the public used to rely, and rely with safety, upon that force or competition in the railway business. But they can do so no longer. That force has ceased to exist; it does not play any more. And we have had some concrete illustrations of this condition. In certain territory is a large amount of freight produced annually. Two carriers are in the field—no more. They claim that under ordinary, natural conditions about one-half the business is located on the tracks of one and about one-half on the tracks of the other. The fact is that much of it is within fairly easy reach of both. Each believes it better to accept about half of the traffic and let the other have the same without a contest and maintain the higher rates than to struggle for more and reduce the rates in the contest. So they simultaneously and by a joint agency publish the same rates, and each after ascertaining the probable volume of the business in each season provides for equipment sufficient to carry about one-half, and no more. The existence of any agreement is denied, but the result is the same as if an agreement had been made to divide equally the traffic at the same rates.

What is to be done to afford that protection which in the past has been assured by competition against excessive rates? The only remedy is, if the rate is found to be unreasonable and unjust, to ascertain what is a reasonable rate and enforce it. There is no other remedy. After you have broken up all the agreements under the antipooling law and the antitrust law, the carriers confer and act together to a common end. This condition renders necessary public control of the rates. It is difficult to ascertain what is reasonable and just in all cases. So it is. It is difficult for the carriers to do so—just as difficult as it is for the Commission. They must put in some rate and go ahead. The most that can be expected is a reasonable approximation in these matters. There is no mathematical rule of certainty whereby you can measure what is reasonable and just; but common sense and the common sense of justice, and the general knowledge of conditions and a full and conscientious consideration of all the testi-

mony and conditions, the condition of the roads, their interests, their necessities, their burdens, as well as other interests affected will enable a fair-minded tribunal to approach what is substantially just and fair. All must be open to review and reconsideration upon changed conditions.

Now, I have talked longer than I expected to about these matters. There were some other things I had intended to refer to. I say the people of this country will rely in vain upon competition, and they will rely in vain upon a commission that can only make recommendations which may be disregarded at will in order to correct these things. And they will rely in vain if they trust to the making of orders which can be enforced only after long litigation in the courts, with appeal from one court to another, because it takes such a long time that the business that is being hurt by the rate will be destroyed and strangled before the end of the litigation can be reached. If the public has a right to a just and reasonable rate, there is no way to protect that right except to make the rate, and make it before and while shipments are made.

Now, it will be said that this takes away the right of the carrier to a hearing in court. Not so. No legislation can take it away. The Constitution of the United States guarantees his investment against confiscation, against the use of his property as well as the taking of it without compensation. It can not be done under the Constitution. The courts of equity are always open. They are open to him to make an application any time, as we have seen demonstrated over and over again, to stay the hands of the State railroad commissioners, and this would be true if the Interstate Commerce Commission had any power to fix a rate. There is no such thing involved in this as confiscation. It is not within the power of Congress to confiscate this property. The carriers can always invoke the Constitution of the United States to protect them against the invasion of any commission to take away their rights.

But where is the shipper? He is equally entitled in the protection of his sacred rights of property. Where can he stay the hand of the rate gatherer when it is laid too heavily upon his business? There is no court that will undertake to restrain this. There has been litigation before the Commission and litigation in courts where the taking of testimony and the delays incident to it and the appeal from one court to another covered a period of years.

It has been stated on some occasions—I must refer to it—that no commission should have the power to correct the large system of rates applicable to the whole territory, or between two great communities, or over several roads at the same time; that that would be too much to deal with; that it might be fair to allow the Commission to deal with a single rate on a single article between two points. Let us see how

this is to be met. It was only last year that the railways leading from St. Louis and St. Louis territory to all Texas points, without notice to the public, after a conference among themselves, decided that they ought to have more revenue, and they raised the rates on most all the classes and commodities. The Official Classification Committee in New York a few years ago got together and raised the rates by changes of classification and otherwise on seven or eight hundred articles at one time without notice to the public, except the notice that the law requires them to give—ten days.

If there is to be any remedy in this matter, the remedy must be as broad as the wrong, as broad as the evil. How many commissions would it take to sit and deal with one or two roads on questions of classification at a time when the roads covering a whole section of the country changed all the rates at one time? It is manifest that the remedy must be as broad as the evil if it is to be corrected, and it ought to be just as prompt. They can change these rates, increase all of them on ten days' notice, without notice to anybody. It is impossible for any commission to intelligently and fairly deal with the question within ten days, but it ought to be done with as little delay as is consistent with justice to all interested; and when a rate is ascertained to be unreasonable and another one which is deemed to be reasonable by an impartial tribunal is ascertained, that rate ought to be put into effect, and it ought to remain in effect for the protection of the public until the carriers can show that their constitutional rights have been invaded, and the burden ought to be on them to do it.

I suggest this as being absolutely essential. As I understand it, that is the meaning of this report, that if there is to be any legislation along this line it is desirable to have that which is adequate, which is prompt, and at the same time fair and just to all interests. [Great applause.]

Mr. YAPP, of Minnesota. I would like to ask Judge Clements a question in this connection before he goes. Do you consider where rates for given commodities are settled as just and reasonable, that they ought not to be subject to fluctuation in accordance with market conditions? In other words, would you prevent emergency rates being put in to meet these conditions?

Mr. CLEMENTS, of the Interstate Commerce Commission. I think that any system of general regulation of this kind ought to be flexible to the extent of meeting emergencies; but it ought to be done with such notice as to prevent the very evils of which I have been speaking—unjust discrimination, etc. I think that provision ought to be made for emergencies of that kind. I do not think that the door ought to be thrown open so as to allow roads to change the rates without considering the rights of other localities and other interests, of individuals and other kinds of traffic. But there have been in the experience of

the Commission applications for relief from the fourth section of the act, when it was supposed that the fourth section meant something. When there was a drought, for instance, in the West, the carriers desired to carry grain for little or no rate, and there are other similar emergencies. I think there ought to be some discretion to meet these emergencies. I agree with you, but I desire to avoid discrimination.

The PRESIDENT. You have heard the reading of the report. It is now open for discussion. Any remarks?

Mr. CHADBOURNE, of Maine. I have listened with a great deal of interest to the report that has been made by the gentleman of the Interstate Commerce Commission; but I confess that it all resolves itself into this: What is a just and reasonable rate? It is about the same as the definition of a mascot—a mascot is a mascot. And that is about all it is. I never have yet heard of any tribunal or of any organization that could tell what was the cost of carrying a single ton of freight or a single passenger. And the rule adopted by everybody, fixed by everybody to be the nearest a fair one, is to put upon every commodity such a rate as it will bear. Not such as it will not bear, but such a rate as it will bear in comparison with other commodities and other sections of the country likely conditioned. No one can doubt for a single moment the statement of the gentleman that a reasonable rate should be arrived at. Now, how are you going to do it? What will be your tribunal? Will it be composed of four or five men, impartial it may be, but yet lacking in experience? Impartial and having experience, and yet by reason of the influences surrounding them in their localities, unfair and unjust? And if you will give us a tribunal which shall say what the rates shall be, will that tribunal be one broad enough in its organization, broad enough in its make-up, in its mind, to take into consideration all conditions? Let me cite one illustration.

We have in our State a road known as the Maine Central Railroad. The Canadian Pacific Railroad, a foreign corporation, comes down to the border of our State, builds 144 miles of line, and then makes an arrangement with the Maine Central whereby they shall use the tracks of the Maine Central from Mattawamkeag to Vanceboro, 54 miles, in common, the Canadian Pacific paying to the Maine Central a certain percentage based upon the valuation of that property and the maintenance, according to the agreement, and the company keeps a record of every wheel that goes over that 54 miles Maine Central road, and at the end of the month the cost of maintenance is divided according to the number of wheels. That has been the condition for some years. Three or four months ago they wanted to lay some steel on that division, and it was found that the Maine Central, in order to relay that track, would have to pay \$22 a ton for steel. The Canadian Pacific, being a foreign corporation, could buy that same steel, to be

laid on the same place, \$8 or \$9 cheaper than the Maine Central could—a difference of \$1,000 a mile, \$54,000 difference in the relaying of that distance. The fixed charge put upon that road had to be paid out of what? Freight and passengers. If you have a tribunal, when it comes to make a fair and reasonable rate, shouldn't these things be taken into consideration?

To my own mind, and my own crude way, and with all the defects of my weak judgment—and I see it admitted by the Interstate Commerce Commission that I am a member of one of the weak commissions; but we are comforted by the thought that we do not have to employ attorneys to appear for us—but, weak as we are, I confess it.

We are a great nation. What has made us? The railroads, the transportation companies. There is no industry in this great, broad nation which does not owe its existence to the favorable rates given by the transportation companies to get that commodity to the point of consumption. When you talk of monopolies of railroads, there is no such thing as a monopoly in railroads; no such thing. There may be lines in common territories that have command over that particular territory, but there are other territories like conditioned that absolutely destroy the so-called monopoly on the part of railroads.

We have had more than \$25,000,000 come into our State for the pulp industry. There was not a single corporation until the transportation companies had given assurances that the product of their enterprises should be gotten to the points of consumption in competition with other sections of the United States likely conditioned as to natural resources. They gave the assurance, and we are to-day shipping 2,000 tons of pulp in our little northeastern State of Maine. This was done by the railroads.

But if you are going to have a tribunal, why not combine the ownership with the rate-making power and “take the bull by the horns” and let the Government own your railroads? Then you can overcome the great discriminations which the kind Father of all has placed us under. The discriminations are not all on the part of the railroads. You haven't snow eight or ten months of the year that we have up in the northern part of the United States. There are a hundred and one conditions that are favorable to you here and against us there. We have seen, since the great fratricidal struggle, this great South, which only grew $3\frac{1}{2}$ million bales of cotton, produce 11 million bales, or five-sixths of the whole product of the world—one of the most wonderful demonstrations of a progressive people ever shown upon the face of the earth. Why is it so? Six-tenths of that whole crop is exported; only four-tenths is manufactured in our own country. Of the 22 millions of spindles in the United States nearly 7 millions to-day are south of the Mason and Dixon line. That is an enormous growth, and is alike gratifying to my own section of the country. But for

the 15 millions of spindles that cotton must be transported from the great South to the great North. Hasn't the Almighty discriminated in favor of the South in the manufacture of cotton? Can we in the North hope to maintain our great factories except they be maintained by their reputation for the manufacture of a particular line of goods? And this territory is being invaded by the cotton manufacturers of the South.

This question is as old and as broad as the existence of every man and when you simply come to it and say that the rates should be just and reasonable you have only given expression to a sentiment that is known to every man, woman, and child in the 80 million people of the United States. The question is, What shall your tribunal be? And if you want to exercise legislation, or if you want to exercise equity over the roads, let the Government take the railroads, so that not a line, not a single line of 1 mile, or 1,000 miles, or 10,000 miles has the ability to adjust these things; but let the Government take this whole problem in one grasp and regulate the whole thing. Is that the condition you want? If so, let us have it. It seems to me that that must be the final landing place of the whole proposition. The transportation companies to-day are merely selling transportation at the best rate they can get for it. Are they paying exorbitant dividends? Are the railroad properties of the United States paying such almighty dividends that they should be condemned as plutocracies? Aren't the railroads entitled to a mighty credit for what they have done? We have one of the greatest vacation grounds in the world in the State of Maine. What has made it such? The railroads; and I venture the assertion that there is not a single dollar made in passenger traffic in the State of Maine. We are getting the least possible rates the railroads can make in order to introduce that traffic into the State, giving the best possible accommodations, paying 22½ cents a mile for the sake of hauling Pullman cars through our State—a mighty sight like paying 40 shillings to be hung. But the people of our State demand it, and the railroads have met that demand, and we have opened one of the greatest vacation grounds in the world, I verily believe.

I haven't one single word to say against anything that the gentleman has said with reference to the reasonableness of rates, the equity, or that some tribunal should have the power and have the authority to make a reasonable rate. But it all comes down to what is a reasonable rate. Will you intrust it to five or six men? Or would you increase the number and have all parts of the country and all different interests represented—the railroads as well as the people? What is this great fight between the shippers and the railroads? It is just exactly the same as between the patrons of every dry goods merchant and the dry goods men. One dry goods man puts his calico down to

4½ cents; his neighbor comes to him and says, "If you will sell for 4½ cents I shall sell for 4½ cents; I guess both of us had better put it up to 5 cents." That is not an unreasonable thing. It is true that the railroad companies enjoy franchises. They enjoy the right of eminent domain; but what in practice does it mean? It simply means that they shall pay just as much in price for everything they buy as anybody else shall pay for it. Mighty little experience will demonstrate that. The railroads are finding that out, and I submit that the railroads of our country are doing the country as great a service as any institution in the country, not excepting the great Government, notwithstanding that they collect more in freight receipts than is collected by the Government for the administration of its affairs. Are not the people getting value received for all they pay into the coffers, so-called, of this great railroad concern?

It is true there are complaints. There are complaints about the service of the railroads, about the service of the ministers and the deacons and the choirs, and everybody else that the public comes in contact with. What can you do? You can only reduce it to a minimum. Now, after all the suggestions as to the wrongs that are going on, let us hear some suggestion as to what shall be a fair remedy, and what shall be the methods and routine of finding out what is fair, if there is any issue, as between the people and the railroads. [Applause.]

Mr. CLEMENTS, of the Interstate Commerce Commission. The Interstate Commerce Commission, in referring to weak commissions, did not intend it to apply personally.

Mr. CHADBOURNE, of Maine. It simply said that we were a weak commission.

Mr. CLEMENTS, of the Interstate Commerce Commission. Lacking power, that is the wording of it. I said in substance that these railroads had done a great deal for the country. Now, I will add that the people have done a great deal for the railroads. The obligation is mutual. There is not much difference between the gentleman and myself in regard to the principles involved; the only trouble is with regard to the method of getting at it, I suppose.

Mr. CHADBOURNE, of Maine. No; I don't think there is.

Mr. CLEMENTS, of the Interstate Commerce Commission. As to dividends paid by railroads: It is well known that many railroads of the country make, or at least have been built for an investment that does not exceed the amount of their bonds. In that case the stock represents no investment; and if they make 5 per cent interest on their bonds and then 5 per cent dividend they are getting 10 per cent. There are many laudable businesses in this country that would be satisfied with half that profit. It is about as difficult to ascertain what the actual return on the actual investment is as to ascertain what is a reasonable rate. About all that can be done by fair-minded people is, as I said before, a general approxi-

mation, considering all the differences, all the different conditions. It is not within the hope of any of us, or the desire, as I know, that there should be any effort to undertake to overturn the discrimination established by Providence, and I hope I did not say anything or intimate anything that any tribunal ought to be authorized arbitrarily to fix rates, but it ought to be charged with that duty with a full and conscientious consideration of all conditions.

The PRESIDENT. What will you do with the report?

Mr. BROWN, of Pennsylvania. I move that the report be received and placed on file in the proceedings of this convention.

The motion was carried. (Report subsequently adopted. See page 87.)

The PRESIDENT. I have been requested to call next for the report, or paper, rather, prepared by Professor Meyer, on the subject of the valuation of the railways of the United States. This paper which Professor Meyer will read is not intended to take the place of the report on that subject. The executive committee of the association recommends that this paper be read and heard by the convention; but it is not intended to supersede or do away with the necessity for the report of the committee on this subject, which I understand has been prepared.

I wish to say one other thing. We have quite a large number of reports to be made to this convention. Our time is very short. I do not mean by that that we do not want to hear these reports fully discussed, because if necessary I think we had better have a meeting this evening rather than cut short any discussion of these matters, because they are important and exceedingly interesting. I merely suggest it in order that you may have some idea of the work which we have before us.

As recommended by the executive committee, I will now ask Professor Meyer, who is present, to read the paper he has prepared on the subject of railroad taxation and plans for ascertaining fair valuation of railroad property.

Mr. BURR, of Florida. I beg leave to offer a resolution in line with the report of the committee on legislation to be acted upon at this time.

Whereas provisions of existing law do not adequately authorize and empower the Interstate Commerce Commission to properly regulate traffic between the States, correcting and preventing unjust discriminations against persons and places, and fixing and enforcing fair and reasonable interstate rates and charges to be observed by all the railroad companies, common carriers, express and telegraph companies: Therefore be it

Resolved by the National Association of Railroad Commissioners in convention assembled at Birmingham, Ala., this 16th day of November, 1904, that the Congress of the United States be, and it is hereby, most earnestly requested to so amend and amplify existing law as to give to

the Interstate Commerce Commission full power and authority to fix and enforce fair, just, and reasonable interstate rates and charges to be observed by all the railroad companies, common carriers, express and telegraph companies doing business within the United States, and to impose and collect, through the courts, fines and penalties from such railroad companies, common carriers, express and telegraph companies as shall fail or refuse to put into effect and operate such rates and charges as the said Interstate Commerce Commission may from time to time prescribe; and

Be it further resolved, That the president of this convention appoint a committee of nine to go before the proper committees of the House and Senate and urge the passage of this needed legislation; and

Be it further resolved, That the secretary of this association furnish each Senator and Member in Congress with a copy of this resolution.

Mr. President, I have stated a committee of nine in that resolution, believing that it would be well to appoint a committee of two from each of the sections of the United States, geographically, and to select as the chairman of that committee some gentleman of the Interstate Commerce Commission, because of his residence at the national capital. I move the adoption of the resolution.

Mr. CHADBOURNE, of Maine. It does seem to me that a resolution of the importance of this one should be submitted to our own committee on legislation before its passage. I make that motion.

The PRESIDENT. That it be referred to what committee?

Mr. CHADBOURNE, of Maine. We have a committee on legislation.

Mr. BURR, of Florida. Do I understand the gentleman to mean that the resolution should be referred to this committee for report before this session of the convention adjourns?

Mr. CHADBOURNE, of Maine. Report; yes, sir.

Mr. BURR, of Florida. I have no objection to that, Mr. President.

The PRESIDENT. Such will be the order then.

Mr. CLEMENTS, of the Interstate Commerce Commission. It hardly seems to me proper that this resolution should be submitted to the committee on legislation and then disposed of, and there is one proposition in this resolution relating to the power of making rates and of ascertaining a rate and prescribing it, and the matter of classification. This has been discussed in every session of this convention, and it has been resolved upon year after year, and I can hardly see any practical good to come from referring it to this committee. The other committees are here and can speak for themselves. This is only what occurs to me. I do not know how it can be of any service.

Mr. CHADBOURNE, of Maine. I desire to say that this resolution is very broad in its scope; perhaps was meant to be. Perhaps it may meet the immediate approval of every member of the committee on legislation, but I do believe that, in view of its scope and its importance, it should be referred to the committee on legislation of this body, for them to report before the adjournment of this convention.

The PRESIDENT. It is moved and seconded that the resolution offered by the gentleman from Florida be referred to this committee on legislation, to be reported upon during our present session.

The motion was carried.

The PRESIDENT. I now introduce to you Professor Meyer, who will read a paper prepared by him on the subject of the valuation of railways in the United States. I ask your close attention to the reading of this paper, for it is one of intense interest to the commissioners.

THE VALUATION OF THE RAILWAYS IN THE UNITED STATES.

PROFESSOR MEYER:

At the request of the Director of the Census the Interstate Commerce Commission has undertaken a commercial valuation of the railways in the United States, which is being conducted jointly under the auspices of the two offices. The results of this investigation will be published in the Census volume on Wealth, Debt, and Taxation. The statistician of the Interstate Commerce Commission and the Director of the Census took the initiative in this work during the early summer of the present year by assigning the study of railway valuation in several of the States to a number of expert special agents.

Subsequently an expert special agent, representing the Interstate Commerce Commission and the Census Bureau, was placed in active charge of the work; and several additional expert special agents have since been appointed for the purpose of pursuing particular phases of the investigation. During the latter part of September a meeting of the special agents, who had been at work chiefly in the field, was held for the purpose of comparing results and discussing general plans and methods. The reports of the field agents revealed many diversities in the methods of valuation pursued in the various States, and on the whole the opinion seemed to prevail that little direct aid could be derived from the States for the task of valuing the railways in the United States; although a description of the methods followed by the several States, it was thought, would in many instances throw interesting side lights on the general problems of valuation.

Only a few States, a smaller number than can be counted on the fingers of one hand, have done thoroughly scientific work in railway valuation. If similar work had been done throughout the country the present valuation would be a very much easier, if, indeed, not a needless task. What these few as well as many other States have done will be briefly described in the final report on railway valuation. The exact form and contents of the final report can not at present be specified, and whatever may be said in this paper upon that subject must be understood to be tentative only and subject to such modifications as the nature of the material to be formulated and the methods to be adopted may demand.

Irrespective of whatever else the valuation of the railways in the United States may include, it obviously embraces two general problems: First, a valuation of the various systems as a whole, and, second, the distribution of these total values of the different railway systems among the several States in which the systems lie. In the case of railways which lie wholly within the bounds of a single State the second problem is not applicable. A little progress in the preliminary study soon led to the belief that all the salient facts relating to the first problem, that of valuing the systems as a whole, were available in existing and accessible reports, but that the facts necessary for a scientific distribution of total values of systems among the States were not available.

Hence, an effort was immediately made to determine the best method for the

assignment of values to the States. With a view of combining the greatest possible number of judgments and of getting as many criticisms and suggestions as possible, accounting, and other railway officers, as well as persons in different pursuits recognized as authorities on such subjects, were interviewed regarding the methods for distributing values among the States. Up to the present the opinions and judgments of officials and others representing, perhaps, three-fourths of the railway mileage of the country, have been secured and taken into consideration in the elaboration of working plans.

Because it was thought necessary to issue a brief circular-schedule calling for the needed information, and because such a circular should be sent out at the earliest practicable moment, the problem of assigning values to States was given precedence over that of assigning the values of the systems as a whole, not because the latter was considered less important, for it is not, but simply as a matter of expediency in expediting the gathering of the necessary information.

The conferences with the representatives of railway companies have been highly satisfactory and an unexpectedly high degree of unanimity prevailed among them on questions of general methods. In detail, some divergence of views was frequently noticeable, and if the work of valuing the railways of the United States were to be deferred until a complete agreement could be reached among, say, six representatives of as many different railway systems with respect to the details of the general plan and methods, it is doubtful whether a valuation of any kind would ever be completed. Upon one point, however, absolute unanimity exists, both within and without the ranks of railway men; namely, on the incorrectness and untenability of the track mileage basis for the assignment of values to States.

It has been common practice for years to assign such a part of the total gross earnings of an entire railway system to a particular State as the track mileage of the railway in the State referred to bears to the total mileage of the company. It would be fully as rational to distribute the total value of the properties facing Broadway in New York City per linear foot as to assign railway values on a track mileage basis. Only in case of an unusually homogeneous railway system can a mileage basis be approximately correct. The mileage system is simple; it has years of practice and court decisions back of it, but this is all that can be said for it. It fails completely to meet the test of analysis.

The question then arises, "What substitutes can be found for the mileage basis of apportionment which shall be able to withstand the tests of practice as well as of science?" A half dozen or more suggestions have been made in reply to this question, but the great majority of the men consulted—in fact, all but two or three—expressed a preference for one of two methods, either the ton-mileage density or the gross revenue basis of the apportionment of values. A relatively small number favored one rather than the other with varying degrees of confidence and conviction, while the majority, perhaps, were ready to give support to either. It was generally recognized that the ton-mileage density, even where it is made to include passenger business reduced to ton-miles, did not sufficiently recognize differences in the nature of the traffic nor unusually expensive stretches of roads and terminals.

The gross revenue basis, on the other hand, was found to neglect somewhat peculiar traffic situations, and the heavier costs of operation in some territories. Regarding gross revenues, it was generally agreed that where these were apportioned among States on the basis of statistics derived directly from bills of lading of interstate business, adding thereto intrastate revenues, a proper basis for assignment of values existed, but where gross revenues are assigned to States by dividing the total revenues of a railway system by the number of miles in the system and multiplying the receipts per mile of line by the number of miles in a State, nothing but a circuitous mileage basis was employed. While nearly everyone expressed a preference for one of these two methods, a third method was frequently put forward.

This is the method of assigning values to the tangible property of a railway on the basis of an engineer's estimate of the cost of reproduction, and to apportion whatever value might be assigned to the franchise or intangible property on the same basis or on the basis of gross revenues. One of the weaknesses of the cost of reproduction method, as this may be called, is that it makes costs the measure of value of both a railway system as a whole and of the localization of values, while it is generally conceded that producing capacity gives a property value. A railway is worth what it can earn. Practical unanimity exists upon this point among all classes of men entitled to an opinion in regard to it. The cost of reproduction method fails, too, in those cases where the traffic is not sufficient to support the investment, or, as in case of some industrial railways and branch lines of greater systems, where traffic will be exhausted at a future date, which can be approximately determined.

In such cases the railways, irrespective of their original cost or their estimated cost of reproduction, would have only scrap value. On the other hand, one of the greatest advantages of the cost of reproduction method is that it solves simultaneously the problems of the total values of the systems and of the distribution of these values among the States, and that in its practical application it carries with it a degree of demonstrable certainty and conviction which is not inherent, to the same extent at least, in any of the other methods. As a method to be applied to the railways in the United States in the year 1904, however, it may be regarded as impracticable for the reason that neither time nor money is at present available for taking an inventory of over 200,000 miles of railways.

Only a few railway companies have taken such an inventory of even a part of their systems, and not a single important system has been thus surveyed in its entirety. Could such an inventory be taken many of the most vexing problems connected with the present valuation would be eliminated. The inventory or cost of reproduction method has its weaknesses like all other methods. It fails at some points, but all in all it seems to be the most certain and satisfactory of them all. Yet, since its present application is out of the question, recourse must be had to other methods.

In order to test the accuracy of traffic density and gross revenue statistics as bases for the assignment of values to States, the officials of several important railway systems kindly furnished figures for their respective systems. The data thus obtained were formulated in percentage tables and compared. The results were most gratifying. Assuming a certain value, like x millions of dollars for each of these systems, the total value was divided among the States in which the systems lie, with the result that the traffic density and gross revenue methods brought about essentially the same distribution, while both the traffic and revenue percentages showed wide variations from track mileage and net earnings percentages.

In the opinion of the men who know the properties concerned a satisfactory basis for distributing values can be established on the basis of traffic and revenue statistics. Since, however, a few railways in the United States have neither of these classes of statistics—while most systems have both—other comparisons have been made with a view of formulating a plan which can be applied to isolated railways for which other classes of facts are not available. One of the most interesting of these is a percentage table showing the density of the population along the line of the railway. In the final report illustrative tables of this kind will be introduced.

These illustrative tables will be so framed that the railways represented by them can not be identified, for the reason that much of the information which is being accumulated for the purposes of this investigation is not public and is provided by the railway companies with the express understanding that it shall be used for this specific purpose only. The statistics of railways giving detailed facts regarding the operations of the lines by divisions are considered too private for publication and general circulation. In further explanation of the general plan of railway valuation it may

be stated that no statistics will be published with reference to individual railway systems whatever, but that aggregates only will be given to the public—aggregates for the country as a whole and aggregates for each State.

In order that these aggregates may be accurate, the figures relating to individual systems must be accurate. It makes little difference for purposes of this investigation whether the aggregate sum of railway values in the United States is one, five, or ten thousand millions of dollars greater or less, and whether a few millions, more or less, are assigned to one or some other State. What is aimed at is the greatest accuracy possible that can be achieved with available data and under existing conditions. This investigation is conducted on the assumption that there may exist differences in the method of valuation, as the purposes for which the valuations are made differ.

The purpose of this valuation is to measure the railway wealth of the country devoted to operation and to distribute this wealth among the several States. Problems of taxation, rates, and public policy lie outside of its scope. Furthermore, a full explanation and criticism of the methods employed and the results obtained will be published as a part of the report, so that the figures, whatever they may finally be, may be construed in their true light.

For reasons which were fully indicated in the preceding remarks, progress in the study of the methods by which the total values of the different railway systems are to be ascertained has not at the time of this convention reached such a stage that a satisfactory statement regarding the same is possible. A thoroughly competent person has been placed in charge of compiling a variety of important statistics relating to each railway system, through the aid of which a satisfactory working rule, it is hoped, can be outlined. No doubt many modifications, variations, and adaptations will have to be introduced as the work progresses.

Depending chiefly upon space considerations, the final report may contain a summarized statement of railway valuations in foreign countries. At the close of the Franco-Prussian war France ceded to Germany the railways of Alsace-Lorraine. Less than ten years later Prussia began her extensive programme of nationalization, in the execution of which many valuations of railway properties had to be made. Only last year she purchased four more lines. In 1897 Switzerland began the purchase of private railways within her domains. At the present time the Government of France is negotiating with private companies for the cession of certain lines to be added to the existing system of State railways. Elsewhere railway property has been transferred as a result of negotiation and bargaining.

The manner in which values were established in the cases cited should be of interest in connection with the valuation of railways in the United States, and, if possible, a brief account of these transfers will be included in the report.

In a general way the nature and progress of the work of valuing the railways of the United States has now been indicated. No critical and full discussion was intended. All these things will be taken up in the census publication. It is hoped, however, that sufficient has been said to indicate the nature, scope, and importance of the investigation which is now in progress.

[Applause.]

Mr. ADAMS, of the Interstate Commerce Commission. May I say just a word as preliminary to a resolution upon this subject?

The PRESIDENT. Upon this subject?

Mr. ADAMS, of the Interstate Commerce Commission. Yes, sir.

The PRESIDENT. I would suggest, if there is no objection, that I call for the report of the committee on this subject at this time, and then let all the discussion follow the regular report of the committee upon

this subject. I will recognize you immediately after the chairman has read his report.

Mr. ADAMS, of the Interstate Commerce Commission. Very well, sir.

The PRESIDENT. Mr. McKenzie will read the report of the committee on railroad taxes and plans for ascertaining fair valuation of railroad property.

Mr. MCKENZIE, of Tennessee. This is not a report, not what might be called a report. A few weeks ago President Smith wrote me asking me to prepare a paper on this subject, which I have done.

*RAILROAD TAXES AND PLANS FOR ASCERTAINING FAIR VALUATION
OF RAILROAD PROPERTY.*

This paper was prepared by me at the request of the president of this association. What knowledge or opinions I may have on this subject have been acquired and formed alone from my experience as a member of the Tennessee railroad commission during the past six years. The Tennessee commission biennially fixes the value of all railroad property in Tennessee or assesses the same for purposes of taxation.

In conversation with a prominent railroad official I asked him what was the best method for ascertaining fair valuations of railroad property for taxable purposes. His answer was, "There is no best method." And if by "method" is meant a single basis, I almost agree with him.

The problem of valuing railroad property for purposes of taxation has, so far as I know, never been successfully solved. No arbitrary method can be adopted. Owing to the magnitude and peculiar nature of railroads they can not be valued as other property. Legislatures recognize this fact by providing an entirely different method for assessing railroads than that for other kinds of property.

If a county assessor was called upon to value a farm, a city block, or a horse, he would consider them. He would ascertain their value by location, original cost, and value of adjoining property, but if he was called upon to value a railroad he would consider certain extrinsic things rather than the railroad itself. Instead of the railroad itself he must "look to and have in view" the capital stock, corporate property, franchises, gross receipts, and market value of stocks and bonds, and from these form "his opinion," for valuation at last is nothing but opinion or judgment based upon the elements of value, to which the statute requires weight to be given.

According to the opinion of the Supreme Court of the United States, as expressed in the Henderson Bridge Company and other cases, there is nothing so "easy or so simple" as assessing railroad property for taxation purposes. This court, like most other judicial experts, adopts the stock-and-bond basis as conclusive. Nothing is so "simple!" All you have to do is to examine the Financial Chronicle, ascertain the prices at which a few shares of stock and a few bonds have sold on Wall street on a given day, multiply the issues of stock and various issues of bonds of a certain system by the price thus obtained, thereby ascertaining what is termed the "market value;" take the aggregate valuation thus obtained, divide by the mileage of the road or system being assessed, and your valuation is complete on a stock-and-bond basis.

When the statute requires a board to "look to and have in view" the capital stock, corporate property, gross receipts, and market value of stocks and bonds in making an assessment of railroad property, it does not intend that any one element of value shall be adopted over any other element of value.

As far as my limited experience goes, the actual market value of stocks and bonds alone has proven a most unsatisfactory method of ascertaining a fair valuation for railroad property.

I know of a road in Tennessee that was purchased by one of the large systems, it being needed as a connecting link in the construction of one of its trunk lines; the system, of course, assuming the payment of the original or underlying stock and bond issues on the local road thus acquired. As soon as a title vested in the larger system the stocks and blanket mortgages of the system fastened upon it. As a consequence this line of road had resting upon it a stock and bond valuation of \$70,000 per mile, every dollar of which was worth par in the market. Of course the road or property itself gave it no such valuation, the same being due alone to the guaranty of the larger system. The line of road of which this said link was a part produced a net earning of from \$1,000 to \$1,200 per mile. This net earning, capitalized as a 10 per cent investment, made the property worth from \$10,000 to \$12,000 per mile on an earning basis. Ten thousand dollars per mile, earning basis; \$70,000 per mile, actual value stock-and-bond basis—at what figure should a conscientious board assess this road for purposes of taxation?

One of the largest railroad systems in Tennessee, with a mileage of over a thousand miles, has a main line and fifteen or twenty branches; these branch lines were formerly independent and separate roads, which, like most independent and separate short lines, failed, and were acquired by the larger system. Every foot of road, whether main or branch lines, is or will in a few years be equally covered by the stock and the consolidated or blanket mortgage of the system. As the original or underlying bonds fall due they are taken up and replaced by those of the blanket mortgage. If this property should then be assessed on a strictly stock-and-bond basis by dividing the aggregate "market" value of the stock and bonds by the mileage of the system, then the branch lines and the main line would have the same assessable value, when it is well known that the main line should be assessed at a figure five or ten times greater than most of the branches, and that no two branch lines are of equal value.

I know another line of road several hundred miles long that was not only covered by the stock of the system, but by five or six series of bonds, each series having a lien priority over the others. By reason of the guaranty of the interest on the same by the system, these bonds were all worth par. Suppose this line was sold under foreclosure proceedings, what value would attach to the last two or three issues of bonds or liens? It would be very small, if anything. However, on a stock-and-bond basis the market value of all is considered.

In assessing railroads for purposes of taxation, the property itself is being assessed, not the stocks and bonds upon the same. On a great number of roads the stock has not paid a dividend for years. As an investment it is worthless. The bond issues cover the value of the property, still this stock, for purposes of control or for speculation, has an inflated value that should not be taken into consideration in assessing the property itself for taxation, or, if considered, only after mature deliberation.

The quoted value of stocks and bonds does not necessarily represent the intrinsic value of such securities, much less the value of the property on which they rest. In 1898 Louisville and Nashville stock was worth about 45 cents; in 1902 it went to \$1.59; in 1898 the entire stock issue of Louisville and Nashville Railroad was worth on the market \$27,000,000; in 1902 the same was worth \$95,400,000. On stock valuation the property of the Louisville and Nashville Railroad in 1902 was worth \$68,400,000 more than in 1898, although the physical property was practically identical during both years.

At one time in the past few years the Nashville, Chattanooga and St. Louis Railroad issue of stock was worth on the market \$5,000,000; the price advanced until it was worth \$12,000,000. Did this advance of \$7,000,000 in the stock enhance the value of the actual property of the road? It did not.

I understand it is the recognized daily practice, especially in reference to inactive stocks and bonds, where holders desire to keep them before the market, to register a sale before the close of each day in order to give the stock or bonds a "quotation." The sale, of course, is fictitious.

The quoted value usually represents the sale of a few shares. An offer of the entire issue would depress the stock; an offer to purchase the entire issue would inflate it; yet the real value of the property upon which the stock rests would not vary.

A railroad failing to pay dividends reduces the market price of its stock, although the value of the road may be enhanced by the application of its earnings to betterments instead of dividends.

On the other hand, it may fail to maintain the physical properties, thereby reducing the value of the road, and enhance the value of the stock by paying dividends.

Stocks and bonds and other securities frequently rise and fall in market quotations through the operation of a single individual. I have heard that when Roswell P. Flower died there was a shrinkage in securities of which he had been a manipulator of about \$20,000,000, and a shrinkage immediately following in other securities of about \$100,000,000, and yet the property upon which these securities rested had not apparently changed in value. Therefore I again say that the actual market value of stocks and bonds, taken alone, is not only unsafe, but an unsatisfactory basis upon which to place tax values upon railroad property.

Again, a number of "authorities" place great stress upon the value of the "franchise" of a railroad corporation. If a franchise grants powers and privileges to a corporation that other corporations do not have and can not exercise, such as street railroads, then there is undoubtedly a large value attached to the franchise; but if a franchise only grants rights and privileges that any other person or corporation can acquire for a nominal sum, why should the value of property constructed under it be materially increased for purposes of taxation? To illustrate: There is a railroad running out 30 miles from Nashville, Tenn. It had been a separate road, and is now a branch of one of the large systems. It had a net earning of several thousand dollars a mile per year, and was the most valuable branch line belonging to the system that owned it. To the experts on railroad taxation that have contributed most of the learning on the subject, the franchise of this road was exceedingly valuable, and would have enhanced its taxable value thousands of dollars. Another railroad company, for less than \$50, procured a franchise from the State of Tennessee, condemned rights of way—even the right of way of the old road—constructed a new line of railway, and paralleled this old road from one end to the other, the greater part of the distance the tracks being within a few feet of each other; and for a few dollars any other corporation could have procured a franchise in Tennessee to not only parallel the same road on the opposite side, but to also parallel every other road in Tennessee in like manner. Each franchise conferred same rights, and cost about \$50; but did either enhance the taxable value of the road materially?

The franchises granted to railroads and manufacturing companies have many points of difference. If a railroad, on account of competition or for any other cause, should become unprofitable, its franchise compels it to still run its trains for the accommodation of the traveling public. It is there to stay and must be operated, even at a loss.

Not so with a manufacturing corporation. If on account of strikes, drought, competition, hostile legislation, or other reasons losses are caused in its operation, the corporation can close the plant for months or years until conditions again justify operation. Or the entire property can be moved from one location to another, from one county or State to another. The franchise can be abandoned whenever it ceases to be valuable or profitable. Therefore the question presents itself, what value should be added to railroad property, in fixing its taxation value, on account of the franchise?

Another basis always considered, I suppose, in fixing the taxable value of a railroad is its earning capacity. Where the income of a railroad is sufficient to show a net earning the valuation fixed on capitalization of its net earnings has proven far more satisfactory than the stock and bond or any other basis; and while the law requires that the railroad commission of Tennessee "shall have in view and look to capital stock, the corporate property, franchises of each company, the gross receipts, and the market value of shares of stock and bonds," the Tennessee railroad commission has, in making the biennial assessments, given more weight to the valuation fixed on the earning capacity of a road than they have to any other basis. Of course, if the gross earnings of a railroad are sufficient to pay only operating expenses, then the road has to be assessed upon some other basis.

The extraordinary hazards connected with the operation of a railroad subject its earnings to a degree of uncertainty unknown to other corporations. Wrecks, accidents of various kinds, floods, panics, epidemics, droughts, operation of labor organizations, together with unforeseen legislation, both State and national, are contingencies that have to be contended with by all railroads, and by reason of which their earnings are materially affected, often wiped out. For these reasons the earning basis for valuation frequently fails to give satisfactory results. There is a short local line of railroad in Tennessee that for six years had been assessed at \$20,000 a mile. Its earnings justified this assessment. In 1902 it was paralleled by another road, and two-thirds of its earning capacity destroyed. Although it has the same physical property, the finest roadbed in the State, the same stock and bond value, and for all purposes except income is as valuable in 1903-4 as previously, the road for 1903-4 is assessed at only \$10,000 a mile, and on its present earning basis this is a high valuation.

The earnings are affected by rulings of both the State railroad commission and Interstate Commerce Commission, as well as legislation. The net earnings of every railroad in the country were either wiped out or severely crippled by Congress a few years ago when automatic couplers and air brakes were ordered on every car.

But still a proper capitalization of net earnings has proved a far more satisfactory basis of arriving at the valuation of a railroad for purposes of taxation than most other methods. The question then presents itself at what per cent should net earnings be capitalized? The Tennessee railroad commission took a number of depositions on this question of bankers and business men—men whom we considered qualified and disinterested. These witnesses, on account of the hazards hereinbefore enumerated, fixed the rate at from 10 to 15, and even as high as 20 per cent. The Tennessee railroad commission adopted a 10 per cent capitalization of net earnings in estimating the value per mile of a road on an earning basis.

The railroad commission of Tennessee has assessed the railroad property of the State for purposes of taxation for the past eight years. The assessable value of railroad property in Tennessee at this time is nearly 60 millions of dollars, this valuation being an increase of about 20 millions of dollars over the assessment made prior to the creation of the railroad commission.

While compared with the assessment of the same property in other States the Tennessee assessment seems high, still there has been but one lawsuit caused by any assessment of the present board, and the Federal courts finally sustained the commission and dismissed this suit. The assessment is satisfactory to the State and has been accepted by the railroads.

Perhaps a short statement of the methods adopted by the Tennessee railroad commission in assessing railroad property might not be out of place in this paper.

Of course each railroad is required to file a schedule and description of all its property, both "distributable" and "localized." If any line extends beyond the limits of the State, the value of the whole line is included in the schedule and the number of miles in the State set out. The railroads, of course, place their valuations

upon the property thus scheduled, but the schedule valuations are generally unsatisfactory. Each road is required to give the number of shares of stock, and the bonded debt, and its market value. When the schedules and proof required by law to be filed by the railroads with the commission are deemed insufficient, the commission proceeds by depositions, or otherwise, to ascertain such additional facts as they deem necessary to make the assessment.

The commission prepares a typewritten brief of the assessment on each railroad in the State. These briefs cover from one or two, to fifty pages of closely typewritten matter. In these briefs are set out every item of value to which the commission looks in making its assessment. We set out the various stock and bond issues of each road, their market value, and the calculations showing stock and bond value per mile. The gross earnings of each road are ascertained, the operating expenses deducted, thereby arriving at the net earnings of the road. This net earning is usually capitalized as a 10 per cent investment, and the result divided by the mileage of the road, gives the value per mile on an earning basis. If the line being assessed is leased, the yearly rental is capitalized as a 10 per cent investment, and the result divided by the mileage gives the value of the road per mile on a rental basis. When we have procured all the data possible and set it out in our brief, keeping in view all the elements of value, as the law requires, then the commission exercises its best judgment, on a common-sense basis, and fixes the valuation on each road in the State at what it thinks is "right," confining itself to no special basis or method.

A copy of this brief is given to each railroad, upon which they generally file exceptions. If any railroad can show where the commission has done it a wrong, the commission stands ready to correct its assessment. Unless this is done, our assessment stands. However, the assessment of the railroad commission goes to a board of equalizers for examination and approval, but there is seldom any change made by the revising board in the assessment as originally made.

The commission endeavors to fix a valuation upon the railroad property just to the State and to the railroads. We have endeavored to be fair and honest in all our dealings with the railroads, and realizing this the railroads have assisted the commission in performing its duties by accepting and complying with the various rulings, orders, and actions of the railroad commission, instead of throwing obstacles in its pathway. Consequently, there is to-day a better feeling prevailing in Tennessee between the railroads and the people than has heretofore existed. For this condition the railroad commission is partly entitled to credit, but the railroads themselves have sought in every way to bring it about and should be credited accordingly.

The valuation of railroad property is at last simply a matter of conclusion or opinion, based on mature judgment, and can not be a product or sum which is the result of mathematical rules. The assessing board must look to everything which may give or reflect light, and from all of these items of evidence form an opinion as to the taxable value of the railroad under consideration.

Owing to the nature of the property, this valuation can be but little more than a fair-minded estimate.

After my experience and observation along these lines, I have come to the conclusion that, if any, there is but one basis upon which an assessment can be made of railroad or corporate property that would be both just and equitable to the State and corporations involved. Unfortunately this theory has not been put in practice in Tennessee, because our constitution will not permit it, nor do I know of any other State that has tried it. It is this: Require railroads, as well as all other operative corporations, to pay a per cent of their gross earnings, in lieu of all other taxes. If gross earnings are large or small, a certain per cent assessment upon gross earnings would realize the correct amount of taxes. Each would pay the same proportion of tax on its value as the other, making corporation taxes uniform.

The complications and uncertainties that frequently make it almost impossible to

arrive at the net earnings or stock and bond valuations of a road would be avoided. The gross earnings are readily ascertained, whether the road is a short or a trunk line. Instead of requiring months of labor in trying to arrive at a just valuation, the method of assessment would be simplified, and days of worry and unsatisfactory conclusions be reduced to a few hours, with results not only uniform, but equitable to both the State and the corporations involved.

As I said, I know of no State that has adopted this basis of assessing railroad property for taxation. Complications would arise, but not more so than under existing methods. The gross earnings per mile could be ascertained and the "per cent" method adopted, not only for State, but for county and municipal purposes. If a certain per cent of gross earnings was required to be paid in lieu of all other taxes, no corporation could justly object to same.

Regular fire and life insurance companies doing business in Tennessee pay to the State in lieu of all other taxes, $2\frac{1}{2}$ per cent upon their gross earnings in the State, for the privilege of doing business in the State. This has proved to be not only a simple and effective method of placing a tax on all such insurance companies doing business in Tennessee, but has done away with the cumbrous machinery heretofore used in accomplishing the same end. It is simple, uniform, equitable, and satisfactory.

Upon the subject of "railroad taxes and plans for ascertaining fair valuations of railroad property" volumes could be written. It is impossible to do the subject ample justice in a short paper, so not caring to make this paper too long, I have simply thrown together a few random thoughts, for which, perhaps, I should offer to this learned association an apology.

Mr. McKENZIE, of Tennessee. Since arriving here my friend, Mr. Thomas, has informed me that some of the States in the Northwest have heretofore tried the gross earnings theory. I hadn't heard of that. I was very much in the same position as our old friend, the Irishman, whom you have heard about, who assaulted the Jew, informing him that he was beating him because he crucified our Savior. When the Jew told him that was eighteen hundred years ago, the Irishman said that didn't make a bit of difference, he had just heard of it. I just heard that the per cent method had been adopted.

The PRESIDENT. Before we proceed further, Mr. Griffin, secretary of the Alabama commission, has an announcement to make.

Mr. GRIFFIN, of Alabama. I have just been informed by Mr. Ross Smith that there will be a reception from 3.30 to 7 o'clock this evening at the Country Club.

I also have a telephone message from Mr. Jones, of Montgomery, who is the president or the chairman of the reception committee. He stated that on our arrival there we will be taken to the capitol where the governor will address us, and that after that we will be tendered a reception at the Commercial and Industrial Association from 8 to 11.

Mr. ADAMS, of the Interstate Commerce Commission. Mr. Chairman, I do not wish to discuss this question, though I know of no topic that might claim the attention of this body more profitably than the topic of the valuation of railroad properties. I do wish to say, however, that the last paper that was read was exceedingly interest-

ing to me, having had occasion to look into this whole subject somewhat during the past two or three years. What I arose for, Mr. Chairman, is to make an explanation preliminary to a resolution that I wish to offer this body. The Director of the Census is obliged by law to state the value of railroad property along with the value of all other property, and to assign that value to the respective States. He presented this question, this problem, to the Interstate Commerce Commission, and requested that the Interstate Commerce Commission should take it under advisement. The Commission acceded to this request, very largely in view of the fact that the census law took out of the survey of the census officials the reports of railways. So it seems that it was eminently proper that the Interstate Commerce Commission should do this work. Now, it has undertaken the work jointly with the Census Office, and I think we are very fortunate in having secured the personal supervision of one so competent as Professor Meyer, who has made a special study of the subject. It is desired by those who have taken this matter in hand that every interest should have the liberty, the opportunity, of expressing itself upon the results arrived at before the results are put in print. I think we want the expression of everybody except real-estate agents; I am afraid we don't care for their views on values. The interests which we especially desire to hear from are the railroad interests, the State railroad commissioners and tax commissioners of the various States who have to do with the valuation of property, and the body of publicists; and it has been decided to request three separate boards for review and advice. The resolution which I am about to offer is to request that a committee be appointed from this body to constitute such a board; but the resolution itself expresses this matter, and I will ask permission to read it.

Resolved, That the president of this association be requested to appoint a committee of five State railroad commissioners, with authority to join with them five officers, not railroad commissioners, charged with the duty of appraising the value of railroad property in their respective States; said committee thus constituted to constitute an advisory board for the purpose of reviewing and criticising the result of the valuation of railroad property, undertaken jointly by the Interstate Commerce Commission and the Census Office.

The PRESIDENT. You have heard the report of the committee on railroad taxes and plans for ascertaining fair valuation of railroad property and the paper of Professor Meyer and the resolution. The question is, What will you do with the report of the committee?

Mr. KILPATRICK, of Illinois. Mr. Chairman, I move that the report of Mr. McKenzie—I think he is reporting for his committee—be placed on file and published in the proceedings of this convention, together with the paper read by Professor Meyer in regard to the same subject. I also move that the thanks of this convention be tendered

to these gentlemen for the able manner in which they have presented the matter.

The motion was carried.

The PRESIDENT. The next question is upon the adoption of the resolution.

Mr. KILPATRICK, of Illinois. I move the adoption of the resolution presented by Professor Adams.

Mr. STAPLES, of Minnesota. I wish to ask if the real meaning of that resolution confines this committee to five States. As I understood it read, it does. If it is desired to have such a committee, and have it consist of ten members, why limit the membership to five States? Why not make a more general representative committee? I may have misunderstood the reading of the resolution.

Mr. ADAMS, of the Interstate Commerce Commission. If the resolution conveys that impression, it is wrongly worded.

Mr. STAPLES, of Minnesota. I understand it so.

Mr. ADAMS, of the Interstate Commerce Commission. It was not so intended. I would like the privilege of revising it if that is the impression. It says: "That the president of this association be requested to appoint a committee of five State railroad commissioners, with authority to join with them five officers, not railroad commissioners, charged with the duty of appraising the value of railroad property." I didn't understand—

Mr. STAPLES, of Minnesota. It conveys the idea—I may have misunderstood it—that they join with them five parties who are interested in the appraising or the valuing of railroad property for their respective States.

Mr. ADAMS, of the Interstate Commerce Commission. It was not so intended. "Charged with the duty of appraising the value of railroad property"—

Mr. STAPLES, of Minnesota. "In their respective States."

Mr. ADAMS, of the Interstate Commerce Commission. "In their respective States," referring, in my intention at least, to railroad commissioners, and the members of this committee not railroad commissioners.

Mr. STAPLES, of Minnesota. If that is intended, it is all right.

The motion was carried and so the resolution was adopted.

Mr. SMITH, of South Dakota. As the hour is getting late, I suggest that we adjourn until 2 o'clock, so that we can then assemble for an hour before we go on our excursion.

The PRESIDENT. The convention might adjourn until 2 o'clock, if the members will come back here promptly. There are some very important reports that have not been read and considered by the convention as yet, notably the reports of the committees on uniform classification, railroad statistics, safety appliances, delays attendant upon enforcing

orders of the Commission, and rates and rate making, and unless we come back promptly we are going to be very much pressed for time.

Mr. STAPLES, of Minnesota. The interest manifested in the several questions presented here causes parties who take deep interest to discuss them fully. Considerable time has been consumed this morning on one of the important topics. I do not feel that it has been lost, but it deprives other members who have ideas of expressing them. And with the view of giving ample time to consider all these subjects, and that I may feel at liberty to take part in the discussion, I want to suggest at this time that instead of adopting the motion which was offered we continue for a half hour, with the understanding that we convene at 8 o'clock this evening and hold an evening session. Otherwise I feel satisfied that we will have no opportunity to continue this interesting meeting with ample time to discuss all these topics.

Mr. BROWN, of Pennsylvania. When the executive committee made its report this morning, it suggested that the chairman of the committee on statistics would like to report this morning, and Mr. Adams, the chairman of that committee, desires to leave this afternoon. He informs me that the reading of his report will not consume more than ten minutes, and I would suggest before we adjourn that we hear the report of that committee.

The PRESIDENT. The committee on railroad statistics will now read its report.

Mr. ADAMS, of the Interstate Commerce Commission. I think it will be ample if I read merely the formal report of the committee. The report deals with details which are printed in this pamphlet in full.

REPORT OF THE COMMITTEE ON RAILROAD STATISTICS.

The current report of your committee on railroad statistics covers three suggestions bearing upon the following points:

1. Revision of instructions relative to certain items that enter into the income account.
2. Classification of equipment expenditures.
3. Classification and detailed instructions relative to additions, betterments, and improvements.

It will be remembered that the first and second of the above suggestions were considered by your committee in its report of the previous year. It was there stated that the chairman of this committee was authorized to communicate with the president of the Association of American Railway Accounting Officers and to request the advice of this association in revising the several items that enter into the income account. At the last meeting of the Auditors' Association, after a report from the special committee appointed by the president, the entire matter was referred to the executive committee with power, which, in cooperation with the special committee, went over the entire subject and submitted a communication which is printed as an appendix to this report. In that appendix, I may say in passing, will be found the adjustment of these rates on the income account. They were presented in detail to this body at the last annual meeting. This communication, it will be observed, covers both the questions referred to

the president of the Association of American Railway Accounting Officers, namely, the revision of instructions relative to the income account and the classification of equipment expenditures.

At the meeting of your committee held November 3, 1904, it was voted to recommend to the National Association of Railway Commissioners the adoption of the suggestions of the executive committee of the Association of American Railway Accounting Officers as an expression of its views upon these subjects, and to recommend further that the blank forms for annual reports be modified to conform to these suggestions. That covers, Mr. President, the first and the second topics. I now come to the third.

The usefulness of statistics of railway operations at the present time is seriously impaired by the fact that the carriers do not have a uniform definition of improvements, betterments, and additions, nor do they follow a uniform rule in passing expenditures for these purposes through their accounts. The difficulties of interpretation and comparison arising from this source have increased rather than diminished during the past five years. In view of the importance of a correct and uniform determination of net earnings, it appears to your committee that some steps should be taken to draw clearly the line between operating expenses and betterments. This question was discussed at a meeting of your committee held June 10, and the chairman was authorized to communicate with the president of the Association of American Railway Accounting Officers relative to the matter. Under date of November 1 a letter was received from Mr. A. D. Parker, president of that association, to the effect that the executive committee had authorized him to appoint a special committee of five members, of whom the president of the association should be chairman, to "cooperate with the committee on railroad statistics of the National Association of Railway Commissioners in working out a somewhat detailed set of instructions in order to separate somewhat definitely and explicitly expenditures incurred for maintenance, on the one hand, and expenditures incurred for improvements, on the other." It seems appropriate to make this statement of what your committee has done. A final report upon this question may be expected at the next meeting of the association.

APPENDIX.

WASHINGTON, October 27, 1904.

MR. HENRY C. ADAMS,

*Chairman of Committee on Railroad Statistics,
National Association of Railway Commissioners.*

DEAR SIR: In reply to your request addressed to the president of the Association of American Railway Accounting Officers, dated April 3, 1903, relative to defining items included in captions and subcaptions titled Miscellaneous Income—Less Expenses; Interest on Interest-bearing Current Liabilities, Accrued, etc.; Other Deductions; Additions for Year; Deductions for Year; as shown in the income account on page 31 of the form issued by the Interstate Commerce Commission for annual returns from railways, the executive committee of the said association, to which for final action was referred your request, begs leave to say that it has been guided by the following principles:

First. Instructions contained in the printed form of annual report in connection with the classifications of operating and construction expenses prescribed by the Interstate Commerce Commission.

Second. The recognized right of railroads to make special appropriations from,

or charges against, their current year's income, or from the accumulated surplus to date, as they may elect, for the purpose of providing sinking and improvement funds, as well as special funds for other purposes.

Third. If such appropriations are made from or are to be charged against current year's income, they should be included in the appropriate account under the head of Deductions from Income, as shown on page 31 of the Interstate Commerce Commission's report. If made from or chargeable against the accumulated surplus to date, they should be included in the item, Deductions for Year, as shown on the same page.

Fourth. The item, or account, Permanent Improvements, as shown on page 31 of the Interstate Commerce Commission's report, under the heading, Deductions from Income, should include actual expenditures for permanent improvements made in current year, deductible from current year's income—not expenditures made in current year out of appropriations made from income of previous years or appropriations made out of the current year's income for improvement expenditures to be made in subsequent years. Appropriations from current year's income for future improvement expenditures should be included in Other Deductions, under the head of Deductions from Income. Appropriations for future improvement expenditures from accumulated surplus to date should be included in Deductions for Year.

Fifth. The following instructions, to be found on page 30 of the Interstate Commerce Commission's form of annual report, have been kept prominently in mind, viz:

(A) "Under Other deductions, include such items as are properly regarded as fixed charges, which may not be assigned to any of the preceding titles under Deductions from Income. An itemized statement should also be furnished below (p. 30) of any amount returned against this caption."

(B) "Under Other Payments from Net Income, give only such items as are properly regarded as earnings to the stockholders of the road, other than earnings which are reported as dividends. In every case a full explanation should be given below (p. 30) of the item entered against this heading."

(C) "Under Additions for Year, there should be given amounts transferred from other accounts to the surplus; or amounts representing an increase in resources not properly assignable to the earnings of property operated during the year covered by this report, or to income accruing on investments during the year covered by this report."

(D) "Under Deductions for Year, there should appear amounts transferred from the surplus as shown in Profit and Loss on General Balance Sheet for the year ending June 30, * * * to other accounts; or amounts written off resulting from adjustments; or payments not properly chargeable to the operations of property during the year covered by this report."

The committee has, therefore, arrived at the following conclusions:

First. That the instructions on page 40, under the heading Miscellaneous Income, reading "Under this head should be entered all interest received, not otherwise provided for," be changed to read "Under this head should be shown all receipts from interest or exchange, on bills receivable, and other current accounts."

Second, That the item appearing on page 31 under Deductions from Income, reading "Interest on Interest-bearing Current Liabilities Accrued—not otherwise provided for," be changed to read "Interest on Interest-bearing Current Liabilities, etc.," and the following instructions be inserted on preceding (p. 30): "Under interest on Interest-bearing Current Liabilities, etc.," there should appear all payments for interest, exchange, or discount on interest-bearing cur-

rent liabilities (such as bills payable, receiver's certificates, etc.), as well as payments for interest, exchange, or discount on current accounts, etc. (Receipts from interest or exchange on bills receivable and other current accounts should be shown under the heading Miscellaneous Income.)

Third. Under Other Deductions include such items as are properly regarded as fixed charges which may not be assigned to any of the preceding titles under Deductions from Income. An itemized statement should be furnished below (p. 30) of any amount returned against this heading, the principal items of which are given in the following list:

Appropriations from, or amounts chargeable against, current year's income for—

Sinking funds (state the purpose).

Reserve or other special funds (state the purpose).

Losses or deficits of individuals, firms, or corporations assumed (not including items properly chargeable to rents paid for lease of road).

Other analogous items (give particulars).

Fourth. Under Additions for Year there should be given amounts transferred from other accounts to the surplus, or amounts representing an increase in resources neither properly assignable to the earnings of property operated nor to income accruing on investments during the year covered by this report. An itemized statement should be furnished below (p. 30) of any amount returned against this heading, the principal items of which are given in the following list:

Adjustment or cancellation of old liability accounts, as well as profit derived from sale of investment securities (such as stocks or bonds owned), and other permanent investments.

Premium on bonds issued for refunding purposes and premium on bonds sold for construction, equipment, or improvement purposes otherwise disposed of than as shown on page 27 in Account 30 and on page 20 in Account 9.*

Sundry receipts applying to business of previous years.

Other analogous items (give particulars).

Fifth. Under Deductions for Year there should appear amounts transferred from surplus as shown in Profit and Loss on General Balance Sheet for the year ending June 30, * * * to other accounts, or amounts written off resulting from adjustments, or payments not properly chargeable to the operations of the property during the year covered by this report. An itemized statement should be furnished below (p. 30) of any amount returned against this heading, the principal items of which are given in the following list:

Appropriations from accumulated surplus to date, for—

Sinking funds (state the purpose).

Reserve or other special funds (state the purpose).

Discount on bonds issued for refunding purposes and discount on bonds sold for construction, equipment, or improvement purposes otherwise disposed of than as shown on page 27 in Account 30 and on page 29 in Account 9.*

Adjustment or cancellation of old asset accounts, as well as losses resulting from sale of investment securities (such as stocks or bonds owned) or other permanent investments.

*An account to be numbered 9, called "Discount and Commission," to be added on page 29 of the Interstate Commerce Commission's form of annual report to meet this provision.

Losses or deficits of individuals, firms, or corporations assumed, as well as other disbursements (not dividends) applying to business of previous years.

Other analogous items (give particulars).

In arriving at the above conclusions when making the analysis of the items under review, the executive committee has endeavored to set forth succinctly the classifications which will comprehend all items which from time to time may arise.

The executive committee has had before it the Report of the Committee on Railroad Statistics to the National Association of Railway Commissioners, 1903, dated June 12, 1903, and has examined each item in the varying and diversified list covered by Appendix B, therein referred to. While recognizing that the data in many instances are insufficient upon which to render any opinion, and being aware also that no definite statement can be made regarding any items there shown, it feels that there is due a return on each item to exemplify the final conclusions. The return, therefore, in the form of an exhibit, marked "A" for reference, enumerates no fixed opinion nor should it in any way be used as a precedent for determining future returns, but as given in an index of items which may or may not be properly placed under the captions set forth for future analysis.

Following out further your request, the executive committee appends exhibit, marked "B" for reference, which gives a classification of equipment expenditures. The committee invites your attention to an account which it has numbered 9, titled Discount and Commission, which should be added in the classification under Equipment, on page 29 of the form used by the Interstate Commerce Commission for annual leaves from railways.

By order of the executive committee for the Association of American Railway Accounting Officers.

A. D. PARKER, *President.*

Attest.

C. G. PHILLIPS, *Secretary.*

EXHIBIT A.

CLASSIFICATION OF ITEMS RETURNED UNDER "OTHER DEDUCTIONS" IN REPORTS TO THE INTERSTATE COMMERCE COMMISSION FOR THE YEAR ENDING JUNE 30, 1897.

Examination of road.

Operating expenses if in connection with operation.

Permanent improvements if in connection with construction or improvement work.

Legal and court expenses.

Operating expenses if in connection with operation.

Permanent improvements if in connection with construction or improvement work.

Advances.

Data insufficient.

Advances on land (land bond interest).

Data insufficient.

Advances to pay interest, etc.

Data insufficient.

Advances for construction.

Permanent improvements if expended in current year.

Other deductions if for future improvement expenditures.

Advances for traffic associations.

Operating expenses.

Incidental expenses (comprising miscellaneous, general sundry, office, and contingent expenses).

Operating expenses if in connection with operation.

Permanent improvements if in connection with construction work.

Corporation expenses.

Operating expenses if in connection with operation.

Permanent improvements if in connection with construction work.

Bills payable.

Liability account originally created.

Judgments prior to receiverships.

Deductions for year.

Injury fund.

Other deductions.

Investment (railway bond).

Other deductions.

Discount on accepted drafts given on account of freight.

Interest on interest-bearing current liabilities, etc.

Discount on receivers' certificates.

Interest on interest-bearing current liabilities, etc.

Depreciation of equipment.

Operating expenses if for current year.

Interest.

Data insufficient.

Interest on floating debt.

Interest on interest-bearing current liabilities, etc.

Interest on equipment.

Interest on funded debt under equipment-trust obligations.

Interest paid on account guaranty.

Other deductions.

Interest on mortgages.

Interest on funded debt.

Interest accrued on underlying mortgages.

Interest on funded debt.

Interest on convertible debenture certificates.

Interest on funded debt.

Interest on debentures.

Interest on funded debt.

Interest on rolling-stock certificates.

Interest on funded debt under equipment-trust obligations.

Interest accrued on bonds (of another company, not railroad).

Other deductions.

Interest on drawn bonds.

Data insufficient.

Interest on car trusts.

Interest on funded debt under equipment-trust obligations.

Interest paid stockholders for cash advanced.

Interest on interest-bearing current liabilities, etc.

Interest on stock and bonds — hotel guaranteed.

Other deductions.

Interest on receivers' certificates.

Interest on interest-bearing current liabilities, etc.

Interest guaranteed (of another company).
 Other deductions.
Interest paid lessee.
 Data insufficient.
Interest and exchange.
 Interest on interest-bearing current liabilities, etc.
Miscellaneous interest paid.
 Interest on interest-bearing current liabilities, etc.
Bonded debt reduced.
 Liability account originally created.
Ground rents.
 If used for railway purposes, operating expenses.
Commissions.
 Data insufficient.
Sinking fund.
 Other deductions.
Investment at par.
 Data insufficient.
Premium and accrued interest.
 Data insufficient.
Premium on bonds bought in.
 Other deductions.
Premium on bonds redeemed.
 Other deductions.
Fixed charge—crossing expense.
 Operating expenses.
Extraordinary expenses.
 Data insufficient.
Cattle killed.
 Operating expenses.
Engraving plates and printing [extension bonds].
 Permanent improvements if for construction purposes.
 Operating expenses if for reissue or extension of old bonds.
Extraordinary repairs.
 Data insufficient.
Placing receivers' certificates.
 Other deductions.
Guarantee payments.
 Data insufficient.
Payment on account of interest on open accounts.
 Interest on interest-bearing current liabilities, etc.
Loss and depreciation.
 Data insufficient.
Improvements, etc.
 Permanent improvements.
Rental of ——— terminal company.
 Rents paid for lease of road or operating expenses.
Insurance.
 Operating expenses.
Rentals paid as per agreement.
 Rents paid for lease of road or operating expenses.
Donations.
 Operating expenses.

Sundry worthless accounts written off.
 Deductions for year.
 Real estate expenses.
 Operating expenses, permanent improvements, or miscellaneous income.
 Organization expenses.
 Permanent improvements.
 Cost of reorganization.
 Permanent improvements.
 Disbursements by —— Company account business done prior to January 1, 1896, etc.
 Deductions for year.
 Deterioration of spurs for year ending June 30, 1897.
 Operating expenses.
 Redemption of antebellum bank notes.
 Deductions for year.
 Expenses of lease committee, examining physical condition of road and equipment.
 Operating expenses.
 Reserve for redemption of gold debentures.
 Other deductions.
 Installments on car and equipment trust certificates.
 Liability account originally created.
 Expenses account of execution of bonds and mortgages.
 Permanent improvements or operating expenses.
 Expenses on property.
 Data insufficient.
 Transfer of inappropriate charge to real estate.
 Deductions for year.
 Engine and car rental.
 Operating expenses.
 Deficit in operating branch [subsidiary] lines.
 Other deductions.
 Services as registrar of stock.
 Operating expenses.
 Discount on mortgage bonds.
 Permanent improvements or deductions for year.
 Receivership expenses.
 Data insufficient.
 Balances paid in liquidation of various receivers' and purchasers' accounts.
 Permanent improvements.
 Amount paid —— railroad company by its lessee company on its investment known as bonded debt capitalized.
 Data insufficient.
 Failure of —— bank.
 If in current year, other deductions; otherwise, deductions for year.
 Set apart for betterments.
 Other deductions.
 Salaries and expenses of trustees, receivers, etc.
 Operating expenses.
 Expense of English company.
 Operating expenses.
 English income tax and exchange.
 Interest on interest-bearing current liabilities, etc.

Assessments paid for bonds.

Data insufficient.

Land department expenses.

Deductions from miscellaneous income.

Miscellaneous.

Data insufficient.

Renewals.

Operating expenses.

Rentals for right of way.

Operating expenses.

Equipment notes retired.

Liability account originally credited.

Bonds retired.

Liability account originally credited.

Pay on back coupons.

Liability account originally credited.

Payments to lessee for interest, etc..

Data insufficient.

Income account former receivers.

Data insufficient.

Traffic contract.

Data insufficient.

Balances written off in accordance with terms of purchase of ——— railroad.

Cost of property purchased.

United States Government deductions account land grant.

Earnings if for current year.

Excess of expenses over earnings on account of elevators.

Miscellaneous income.

Traffic statistical bureau expenses.

Operating expenses.

Expenses in connection with membership in traffic associations, etc.

Operating expenses.

Equipment trust expenses (car trust series).

Permanent improvements or operating expenses.

Settlement of claims in litigation.

Data insufficient.

Loss in operation of hospital.

Other deductions.

Liabilities.

Data insufficient.

Transfer agency.

Operating expenses.

Old litigation.

Data insufficient.

Surveying.

Permanent improvements or operating expenses.

Account of reduction in amount of store account of inventory.

Operating expenses.

Amount charged to income account to cover approximate depreciation of ocean and river steamers.

Operating expenses if for current year.

CLASSIFICATION OF ITEMS RETURNED UNDER "ADDITIONS FOR YEAR" IN REPORTS
TO THE INTERSTATE COMMERCE COMMISSION FOR THE YEAR ENDING JUNE 30, 1900.

Profit on sale of ——— wharf property.

Additions for year.

Profit received from sale of stocks owned by reporting company.

Additions for year.

Book accounts released and credited to profit and loss.

Additions for year.

Add for adjustment with ——— Company.

Additions for year.

Inventory of material May 1, 1900, increase in price.

Operating expenses.

Paid out of earnings of road during year ——— of bonds and charged to "Cost
of road."

Data insufficient.

Received from the ——— Railroad Company.

Data insufficient.

Sundry receipts account, previous years. Adjustment of tax accounts, previous
years.

Additions for year.

Miscellaneous scrap iron.

Operating expenses.

Premiums on additional capital stock sold.

Permanent improvements. Account No. 30, construction, expense, classifi-
cation.

Amount paid by ——— Railway Company on account of advances by ———
Railway Company.

Additions for year (1899) if previously written off.

Adjustment of sundry and old accounts.

Additions for year.

Profit from sale of ground rent.

Additions for year.

Profit on securities and adjustment of "Injuries to persons" account and other
old accounts.

Additions for year.

Profit on sale of securities and adjustment of sundry old accounts.

Additions for year.

Items of income accruing prior to the year covered by the report.

Additions for year.

Readjustment of property and construction accounts and cancellation of sundry
liabilities.

Additions for year.

Less adjustment of old balances.

Additions for year.

Sundry liabilities written off.

Additions for year.

Sundry liabilities written off and credited to income account.

Additions for year.

Premium derived from sale of ——— stock for redemption of third mortgage
bonds applied to sinking fund. Accretions to sinking funds. Balances
to credit of ex-agents and conductors written off. Sundry adjustments.

Additions for year.

Interest returned by trustees of bonds.

Additions for year.

Portion of claims paid re-collected from connecting lines creditable to earnings for years prior to 1900, credited to profit and loss direct. Balances due to ex-agents written off. Sundry adjustments.

Additions for year.

Differences between face value of ——— Railroad freight warrants and the amount paid for them. Three ——— freight warrants charged off. Sundry items charged off.

Additions for year.

Premium on ——— Railroad Company bonds exchanged for ——— Railway Company preferred stock.

Data insufficient.

Premium on refunding mortgage bonds.

Additions for year.

Less deficit for years ending ———, charged off by operating company.

Additions for year.

Items charged to expenses. Held in reserve for future expenditures.

Additions for year.

Unclaimed wages transferred to income account.

Additions for year.

Adjustment in material and supply account.

Operating expenses.

Amount of ——— deficit made good by ——— Railroad Company.

Additions for year.

Paid by ——— Railway Company under agreement of ———. Ditto under proposed terms of reorganization, etc. Ditto under agreement of ———, etc.

Data insufficient.

Paid by ——— Railway Company.

Data insufficient.

Paid under traffic agreements by ——— Railway Company and the ——— Railway Company and receivers of the ——— Railway on account of bond interest short earned.

Data insufficient.

(1) Charged to "Construction" on ——— report and transferred to operation.

(2) Charged to commissions on ——— report, repaid by connecting lines.

(1) Data insufficient. (2) Additions for year.

Balance of ——— railroad receiver's account credited to income.

Additions for year.

Sundry amounts credited.

Data insufficient.

Amount received chiefly in refundment of contributions made in previous years to sinking fund of leased roads.

Additions for year.

Payment by former stockholders after sale of their stock at par.

Additions for year.

Decreased liability in adjustment of floating debt. Accounts written off.

Additions for year.

Credit account accrued taxes. Accounts charged off.

Additions for year.

To balance entry for "Interest on funded debt accrued," which amount has not been taken into account.

Additions for year.

Less amount charged to profit and loss. ——— Railroad sinking-fund payments
 ——— to ———. Rent of property in ——— account purchasing com-
 mittee. Land at ——— sold to ——— Railway. Subsidies ———
 Railroad.

Data insufficient.

Profit arising in compromise of interest consolidated into certificates of indebt-
 edness.

Additions for year.

(1) Premium on bonds. (2) Unclaimed freight account balances.

(1) Data insufficient. (2) Additions for year.

Matured interest coupons unpaid.

Data insufficient.

Profit on sale of securities.

Additions for year.

(1) Accounts closed off. (2) Accrued income. (3) Unearned insurance. (4)
 Appreciation of stores. (5) Supplies.

(1) and (3) Additions for year. (4) Operating expenses. (2) and (5)
 Data insufficient.

Unearned insurance. Pay-roll delinquents. Sundry amounts charged off.

Additions for year.

(1) ——— Insurance Company. (2) Auditor's suspenses. (3) Unearned insur-
 ance. (4) Pay roll delinquents. (5) Equipment ———. (6) Equip-
 ment ———. (7) Stores and rails.

(1), (2), (5), (6), (7) Data insufficient. (3) and (4) Additions for year.

(1) Pay-roll delinquents. (2) Unearned insurance. (3) Auditor's suspense.

(1) and (2) Additions for year. (3) Data insufficient.

(1) Auditor's suspense. (2) Unearned insurance. (3) Pay-roll delinquents.

(4) Appreciation of car trusts.

(1) and (4) Data insufficient. (2) and (3) Additions for year.

Net profit from sale of bonds and stock [other railroads].

Additions for year.

Amount received from the ——— Railroad Company.

Data insufficient.

Profit from sales of one share of stock ——— Exchange.

Additions for year.

Permanent improvements charged to cost of road and equipment.

Additions for year, if previously charged.

Errors in accounts that can not be located.

Data insufficient.

Miscellaneous items.

Data insufficient.

Balance due lessees, general account.

Data insufficient.

Entry to adjust difference between capital stock and construction account.

Data insufficient.

Receipts from lost and damaged freight.

Additions for year.

Miscellaneous items.

Data insufficient.

(1) Dividend on company's stock. (2) Interest received on bonds. (3) Rent
 for real estate previous year.

(1) Dividends on stocks owned. (2) Interest on bonds owned. (3) Ad-
 ditions for year.

Difference between value of certain assets received from and amount of obligations assumed on behalf of ———.

Data insufficient.

Interest on accounts.

Miscellaneous income.

Interest on current accounts.

Miscellaneous income.

(1) Net amount of accounts in favor of ——— Company written off. (2)

Amount received from ——— Company on account of coupon interest.

(3) Telegraph receipts.

(1) and (2) Additions for year. (3) Data insufficient.

Ledger credits ——— city bonds. Ditto ——— city bonds. Legal expenses.

Data insufficient.

Miscellaneous items written off, account clerical errors, etc.

Additions for year.

Sundry small corrections and adjustments.

Additions for year.

Credit account, cancellation of note.

Data insufficient.

Inventory of shop, road, bridge, and fuel materials.

Operating expenses.

Amount of accrued interest canceled by bondholders.

Additions for year.

——— deficit charged to construction.

Data insufficient.

(1) Credit by interest due on bonds. (2) Ditto, deposits.

(1) Data insufficient. (2) Miscellaneous income.

Amount of betterments and improvement expenditures.

Additions for year if previously charged.

——— dividend paid in ———.

Data insufficient.

Lots in ——— sold. ——— wreck expenses.

Data is insufficient.

Profit on securities sold in excess of their book value.

Additions for year.

Adjustment account of excess charge previous year to income on taxes. Allowance by various companies on past-due accounts. Allowance by ———

Railway on behalf agreement.

Additions for year.

Excess of actual over book value of material on hand.

Operating expenses.

Sundry accounts and various vouchers audited canceled.

Data insufficient.

Amount received from ——— Railway as per agreement, being loss on operating contract with that company.

Additions for year.

Interest on funded debt not taken into receiver's account. Cash received in payment destroyed equipment. Cash received from sale of office furniture. Cash received account miscellaneous claims.

Data insufficient.

(1) Unclaimed wages charged off. (2) Adjustment of supply accounts. (3) Material premium. (4) Consideration covering assignment and transfer to the ——— Railway Company of all right, title, and interest in ——— shares of capital stock of ——— Railway Company.

(2) and (3) Operating expenses. (1) and (4) Additions for year.

Earnings during construction of road.

Permanent improvements.

In early part of 1899, \$—— value of funded interest stock, was credited to Interest and Discount, and expenses of —— office, \$——, was charged to Interest and Discount. In last half of 1899 these were changed. The value of stock, \$——, was credited to profit and loss, and —— office expenses were charged to expenses.

Additions for year.

Adjustment of sundry agents' accounts to agree with accounts current. Collections from unadjusted claims unclaimed. Unclaimed items due other companies written off. Unclaimed balance due individuals.

Additions for year.

Balance interest on valuation switch engines due from —— and —— companies.

Data insufficient.

Unclaimed wages.

Additions for year.

Discount on —— Railway securities issued for improvements and betterments paid out of this company's income, but which are not yet sold. This discount represents the difference between the market value of the securities and cost of the improvements and betterments.

Additions for year.

Amount transferred from income account to construction, being interest accruing on bonds prior to acceptance of property by railway company.

Additions for year.

Balance due —— Railway Company, including balance due —— Railway Company, which was transferred when the latter was sold to —— Railway Company at sale under a foreclosure of mortgage.

Additions for year.

(1) Material premium. (2) Donated town-lot sales. (3) Interest and exchange. (4) Unclaimed wages charged off.

(1) Operating expenses. (3) Miscellaneous income. (2), (4) Additions for year.

(1) Miscellaneous collections. (2) Adjustment of old account. (3) Advanced to —— Railway Company. (4) Advances to —— Railway. (5) Profits on property sold.

(1), (3), (4), (5) Data insufficient. (2) Additions for year.

Increase in estimated value of town lots and lands.

Additions for year.

(1) Adjustment of error to unpaid coupons, first mortgage bonds. (2) Adjust accrued interest account. (3) Proceeds on sales of lands held under trust indenture by —— applied in the purchase of bonds as provided for under said indenture.

(1) and (2) Additions for year. (3) Data insufficient.

Unclaimed wages.

Additions for year.

Unclaimed wages. Unpaid vouchers.

Additions for year.

Coupons of third-mortgage and land-grant bonds surrendered without value with bonds accepted in payment for lands. Also payment of interest on third-mortgage and land-grant bonds out of cash received from sale of lands and not carried into revenue account.

Data insufficient.

Value of stationery and store supplies on hand ——— and which was credited to profit and loss and charged to material accounts.

Operating expenses.
The road being under construction, the deficit from operation to ———, including bond interest and taxes, has been charged to cost of property.

Additions for year.

——— Company, proportion of receipts on commercial telegraph business, ——— to ———, ——— Railway Company. Adjustment of expenses, general agent's office.

Additions for year if not current.

Credit from sale of sailboat.

Additions for year.

Unclaimed wages.

Additions for year.

Interest on funded debt; assumed by contractor.

Additions for year.

(1) Miscellaneous collection account of operations prior to current fiscal year.

(2) Adjustment, depreciation water-line equipment. (3) Adjustment, material account. (4) Amount representing betterment and improvement expenditures charged to operating expenses.

(1) and (4) Additions for year. (2) Data insufficient. (3) Operating expenses.

Amount of betterment, improvement, and equipment expenditures charged to operating expenses.

Additions for year.

Account of deficit previous year paid out of cash on hand.

Data insufficient.

Cost of a new engine, plus cost of shed for it.

Data insufficient.

CLASSIFICATION OF ITEMS RETURNED UNDER "DEDUCTIONS FOR YEAR," IN REPORTS TO THE INTERSTATE COMMERCE COMMISSION FOR THE YEAR ENDING JUNE 30, 1900.

New steel rails.

If renewals, operating expenses.

Amount transferred to contingent fund. Dividend on common stock paid [from previous years' earnings].

Deductions for year.

Capital stock of the ——— Company charged off as being without market value.

Reduction of valuation in capital stock of ——— Railway to par. Miscellaneous accounts.

Deductions for year.

Proportion of expenditures for new equipment charged to surplus earnings for previous year.

Deductions for year.

(1) Premium accrued on the exchange of \$——, first and second mortgage bonds, for the new bonds. (2) Carried to equipment and permanent improvement account in general balance sheet.

(1) Deductions for year. (2) If appropriation for future use, deductions for year.

Amount applied against cost of ships.

If from surplus from previous year, deductions for year.

Balance of income account appropriated for equipment renewals.

Deductions for year.

Expense on bonds.

Data insufficient.

Credited surplus fund.

If special fund, deductions for year.

Transfer of balances representing charges against earnings, equipment, improvement, overcharges, expenses.

Data insufficient.

(1) Amounts charged off in adjustment old accounts balance. (2) Interest on bonds of the ——— Company. (2) Amount in settlement of old claims against leased lines prior to leases and worthless accounts charged off.

(1) Data insufficient. (2) Deductions for year.

(1) Amounts charged off in adjustment old accounts balance. (2) Interest on bonds, purchased for sinking fund.

(1) Deductions for year. (2) If current, other deductions.

Amount of interest on funded debt [previous year].

Deductions for year.

Paid mortgages originally charged to cost of road transferred to income account [old].

Deductions for year.

Account pertaining to former years' adjustments.

Deductions for year.

Expenses of ——— Company assumed by the ——— Railway Company [current year].

Other deductions.

Adjustment of old accounts.

Deductions for year.

(1) Claims for loss, damage, etc. [prior to June 30, 1899], and (2) sundry worthless accounts, charged off.

(1) Operating expenses. (2) Deductions for year.

Amounts chargeable to the operations prior to year for which report is made.

Data insufficient.

(1) Difference between book value of engines and cars disposed of and values realized. (2) Sundry accounts charged off and miscellaneous adjustments.

(1) Data insufficient. (2) Deductions for year.

There is no surplus or deficit carried forward. The ——— Company own all of the stock of the ——— Railroad and are charged or credited with any deficit or surplus at the end of each year.

Other deductions.

Depreciation.

Data insufficient.

Advances on coal under doubtful cases. Shortage on coal at agencies, etc.

Unpaid advances to leased lines, etc.

Readjustment of values—material on hand.

Data insufficient.

Back interest not adjusted.

Deductions for year.

Stock issued on 25 per cent stock dividend payable ——— to offset betterments represented by profit and loss (surplus).

Deductions for year.

- (1) Amount ordered to be charged to profit and loss and credited to construction and equipment account. (2) Amount expended on contract for straightening line. (3) Incidental expenses account acting as agent in purchasing and furnishing sundry parts for ——— new cars. (4) Less ore car trust cars.

- (1) and (2) Deductions for year. (3) Permanent improvement. (4) Data insufficient.

Equipment charges improperly charged previously.

Data insufficient.

- (1) Loss on sales of steamers and depreciation of marine equipment. (2) Sundry accounts written off. (3) Depreciation of securities. (4) Miscellaneous.

- (1) and (4) Data insufficient. (2) and (3) Deductions for year.

- (1) Sundry uncollectible accounts written off. (2) Amount paid for personal injury and other claims [old]. (3) Discount and expenses on unified mortgage bonds written off.

- (1) Deductions for year. (2) Operating expenses. (3) Data insufficient.

- (1) Uncollectible account written off. (2) Damage claim accrued.

- (1) Deductions for year. (2) Operating expenses.

Payments incident to refunding bonded debt. Payments incident to issuing additional capital stock. Sundry uncollectible accounts written off. Fund for defraying cost of betterments in progress.

Deductions for year.

Surplus shown previous year retained by former owner.

Deductions for year.

- (1) Loss account of destruction of steamer, ———. (2) Redemption of old bond. (3) Expenses account of adjustment of finances. (4) Depreciation in the value of floating equipment. (5) Reduction in the value of railroads. (6) Transferred to reserve fund.

- (1) Operating expenses. (2) and (6) Deductions for year. (3), (4), (5) Data insufficient.

- (1) Amount of capital-betterments account for year. (2) Amount of tax on earnings for previous year carried to profit and loss to adjust account.

- (1) Permanent improvements. (2) Deductions for year.

Amount carried to credit of ——— Railroad insurance fund. Accounts charged off.

Deductions for year.

Error in previous report (taxes).

Deductions for year.

Items affecting the income prior to period covered.

Data insufficient.

Arrears of taxes for periods prior to year covered.

Deductions for year.

———, ———, and ——— roads, belonging to the ——— system, report items precisely similar to "Items affecting the income prior to period covered."

Data insufficient.

- (1) Uncollectible accounts charged direct to profit and loss. (2) Depreciation in value of equipment charged direct to profit and loss.

- (1) Deductions for year. (2) Data insufficient.

Errors, 1897, 1898, 1899.

Deductions for year.

Net floating liabilities of ——— and ——— railroads assumed by reporting company by terms of lease and charged off. Worthless accounts charged off. Deductions for year.

- (1) Sundry assets written off and charged to income account. (2) Equipment accounts written off and charged to income account. (3) Depreciation on station building written off and charged to income account.

(1) Deductions for year. (2) and (3) Data insufficient.

- (1) Equipment accounts written off. (2) Sundry assets written off. (3) Depreciation in station buildings written off.

(1) and (3) Data insufficient. (2) Deductions for year.

State tax on capital stock of ——— Railroad for 1880.

Deductions for year.

- (1) Interest on third and fourth mortgages paid by ——— city. (2) Uncollectible balances to debit of ex-agents and conductors. (3) Sundry adjustments. (4) Overcharge claims chargeable to earnings for prior years. (5) Taxes, interest, ground rents, etc., chargeable to previous years.

(1) Data insufficient. (2), (3), (5) Deductions for year. (4) Earnings,

- (1) Claims for overcharge to shippers chargeable against earnings for prior years charged to profit and loss direct. (2) Uncollectible balances due from ex-agents charged off. (3) Sundry adjustments.

(1) Earnings. (2) and (3) Deductions for year.

- (1) Compromise on old mileage claims. (2) ——— Company of ———, capital stock canceled. (3) Old personal injury claim. (4) Sundry items due to and by individuals and companies charged off.

(1), (2), (4) Deductions for year. (3) Operating expenses.

——— charge to profit and loss. Surveying, charge to profit and loss. Interest on bonds, charge to profit and loss. Real estate.

Data insufficient.

Loss by fire at ———. Claims account personal injuries, etc.

Operating expenses.

- (1) Adjustment account of equipment out of service. (2) Sundry items balance, charged off.

(1) Data insufficient. (2) Deductions for year.

Debits, viz, profit and loss account.

Data insufficient.

Securities turned over by reorganization committee.

Data insufficient.

Loss sustained by failure of customer in previous year not charged off to income until current year.

Deductions for year.

- (1) Uncollectible freight charges written off. (2) Interest and discount.

(1) Deductions for year. (2) Interest on interest-bearing current liabilities, etc.

Reserve for taxes. Interest on bonded debt accrued but not due.

If to bring accruals to date, deductions for year.

Profits and loss deficiency is charged to the ——— Railroad Company, and the balance sheet has been deducted from the amount advanced by the ——— Railroad Company.

Data insufficient.

Loss in old accounts. ——— Railroad deficit.

Deductions for year.

Paid under traffic agreement by the ——— and the ——— railway companies on account of bond interest short earned.

Data insufficient.

- (1) Uncollectible accounts written off. (2) Adjustment of value of rolling stock.

- (1) Deductions for year. (2) Data insufficient.

Income representing interest on contributions made by proprietary companies apportioned to them.

Data insufficient.

Amount prior to receivers' account.

Data insufficient.

- (1) Payments incident to exchange of unmatured bonds for new gold bonds.

- (2) Cost ——— track elevation. (3) Sundry accounts written off [if old].

- (1) and (3) Deductions for year. (2) Data insufficient.

- (1) Discount on bonds sold. (2) Subscription to ——— Hospital. (3) Fund for improving grades and strengthening bridges, etc.

- (1) Data insufficient. (2) and (3) Operating expenses.

Amount charged off in adjustment of capital account by reason of equipment destroyed and not replaced.

Data insufficient.

Premium paid on bonds purchased for sinking fund. Settlement of litigation and sundry old accounts.

Deductions for year.

Franchise taxes paid city of ———. Legal expenses in connection with suits for above taxes [old].

Deductions for year.

Amount paid for real estate. Ditto, right of way. Ditto, tax on capital stock.

Data insufficient.

Sundry miscellaneous charges to profit and loss, account uncollectible.

Deductions for year.

- (1) ——— Hotel operation. (2) Accounts formerly carried as assets now closed into profit and loss.

- (1) If current, other deductions. If old, deductions for year. (2) Deductions for year.

- (1) Depreciation of equipment. (2) Impairment of other assets. (3) Commission on bonds sold. (4) Accounts written off.

- (1), (2), and (3) Data insufficient. (4) Deductions for year.

- (1) Depreciation of equipment. (2) Reserve for loss and damage and ——— claim. (3) Accounts charged off.

- (1) Data insufficient. (2) Operating expenses. (3) Deductions for year.

To ——— Railroad. Settlement account, balance written off. Legal services on this account. ——— County ——— taxes, account purchasing committee. Sundry amounts paid. ——— real-estate note redeemed. Capital stock and bonds ——— Company carried in investment account written off. Surplus earnings ——— extension set aside as sinking fund.

Data insufficient.

Uncollectible accounts closed to profit and loss.

Deductions for year.

- (1) Settlement of personal injury [old]. (2) Accrued taxes not yet payable.

- (1) Operating expenses. (2) Taxes under deductions from income.

Interest coupons unpaid.

Data insufficient.

Accrued interest on ——— mortgage bonds, not previously accrued. Uncollectible accounts.

Deductions for year.

- (1) Loss on investments. (2) Accounts written off. (3) Discount on bonds. (1) and (2) Deductions for year. (3) Data insufficient.

Uncollectible accounts written off.

Deductions for year.

- (1) Old rail leased account. (2) Balance rail account. (3) Balance track-age account, ——— Railroad. (4) Bills uncollectible.

(1), (2), and (3) Data insufficient. (4) Deductions for year.

Cost of survey. Balance rail account. ——— Company's profit and loss account.

Data insufficient.

Interest accrued.

Data insufficient.

- (1) ——— Company's stock. (2) Interest on car-trust bonds. (3) Accrued interest on funded debt. (4) Accrued rental. (5) Accrued taxes. (6) Depreciation of equipment. (7) Sundry accounts charged off.

(1) and (6) Data insufficient. (2) and (3) Interest on funded debt. (4) Rent paid for lease of road or operating expenses. (5) Taxes under deductions from income. (7) Deductions for year.

- (1) Accrued taxes. (2) Accrued interest on mortgage debt. (3) Depreciation of equipment. (4) Sundry amounts charged off.

(1) Taxes under deduction from income. (2) Interest on funded debt. (3) Data insufficient. (4) Deductions for year.

Sundry accounts accrued prior to appointment of receiver.

Data insufficient.

- (1) Stock ——— Railroad. (2) Accrued interest on car-trust bonds. (3) Unsettled claims. (4) Equipment. (5) Accrued taxes. (6) Cross-tie account.

(1), (3), (4), and (6) Data insufficient. (2) Interest on funded debt. (5) Taxes under deductions from income.

- (1) Equipment. (2) Unsettled claims. (3) Accrued taxes. (4) Interest on bonds.

(1) and (2) Data insufficient. (3) Taxes, under deductions from income. (4) Interest on funded debt.

- (1) Interest on car-trust bonds. (2) Accrued taxes. (3) Unsettled claims. (4) Depreciation of equipment.

(1) Interest on funded debt. (2) Taxes, under deductions from income. (3) and (4) Data insufficient.

Account of damage suit. Sundry additions.

Data insufficient.

Difference between value of locomotives when sold and valuation assessed when inventory was taken.

Data insufficient.

Miscellaneous adjustments.

Deductions for year.

Amount expended, account receiverships.

Data insufficient.

- (1) Dividend on first preference income bonds. (2) Expenditures for liquidation of receivers' and purchasers' assets and liabilities.

(1) Interest on funded debt. (2) Data insufficient.

(1) Claims against ——— Railroad originated prior to its acquisition by the ——— Railroad. (2) Sundry small losses sustained. (3) Transferred to sinking fund. [Reserve fund], to meet extraordinary renewals of equipment; to meet extraordinary renewals of rails; to meet extraordinary renewals of ties.

(1) and (3) Data insufficient. (2) Deductions for year.

Accrued interest for three months prior to current year.

Deductions for year.

Interest due for previous years.

Deductions for year.

Payment on account of sundry judgments against railway company caused by overissue of stock; also payment on account of overissue of stock charged against income account.

Data insufficient.

Miscellaneous items.

Data insufficient.

Credit balance rail account.

Data insufficient.

Cost of roads. Interest on ——— Railroad certificates, paid to lessees. Dividend on ——— Railway, paid to lessees. ——— Railroad interest.

Loss on ——— Railroad. Loss on ——— Railroad.

Data insufficient.

Dividend. Difference account cost of side track. Roadmaster's pay roll.

Data insufficient.

Peculation of the dishonest stationery clerk.

Deductions for year.

Amount set aside by directors for purchase of equipment in following year.

Deductions for year.

Miscellaneous items.

Data insufficient.

Premium on bonds paid.

Data insufficient.

(1) Worthless amounts charged off, etc. (2) Amount reserved for doubtful accounts. (3) ——— Railroad income bonds retired.

(1) Deductions for year. (2) Data insufficient. (3) Liability originally created.

Uncollectible freight bills [agent's account].

Deductions for year.

Two months' interest accrued prior to this year's operation.

Deductions for year.

(1) Rent from road. (2) Sale of steamer ———. (3) Loss on ——— Railway. (4) Interest on accounts. (5) Construction side track. (6) Bills uncollectible. (7) Balance rail account.

(1), (2), (3), and (7) Data insufficient. (4) Interest on interest-bearing current liabilities, etc. (5) Permanent improvements. (6) Deductions for year.

Real-estate account. Balance rail account.

Data insufficient.

Balance rail account. Supplies ——— storehouse.

Data insufficient.

Balance on rail account.

Data insufficient.

Betterments to equipment. Extension to road.

Permanent improvements.

In previous reports the mortgage indebtedness of the —— Railroad appears as a debit to cost of road. It was, however, subsequently determined that the —— Railroad was in no way liable for this indebtedness; consequently entries were made on books of the operating company charging same off, together with accumulated interest.

Data insufficient.

Adjustment of old accounts.

Deductions for year.

Part of account —— Company written off.

Deductions for year.

Amount written off from valuation of railroad franchises and other property.

Interest on adjustment bonds payable from surplus. Cancellation of accounts —— Railroad Company. Cancellation of accounts ——

Railway. Depreciation in value of —— elevator. Customs duties on material and supplies. Sundry adjustments.

Data insufficient.

Depreciation of rolling stock.

Data insufficient.

Interest accrued on floating debt during two previous years.

Deductions for year.

Accounts written off.

Deductions for year.

Three years' interest on \$——, the bonded debt of company. This item has not appeared before. No coupon has ever been presented for payment.

If all prior to current year, deductions for year.

Sundry items charged direct to profit and loss on account of income account having been closed.

Data insufficient.

Accrued interest on —— Railway bonds retired. Expenses incurred refunding —— Railway bonds. Loss from sales of —— Railroad capital stock.

Data insufficient.

(1) Amount appropriated by board of net income for year for future betterments and additions to property. (2) Amount appropriated by board approved by stockholders representing authorized expenditures of income [profit and loss account] permanently invested in the improvement of property.

(1) Other deductions. (2) Deductions for year.

Railway abandoned and rails lifted. Promiscuous expenses.

Data insufficient.

Ledger debits (various creditors).

Data insufficient.

Cost of sundry securities transferred to the —— Company in accordance with resolutions of board of directors.

Deductions for year.

Value of properties written off by action of board of directors.

Deductions for year.

Depreciation of equipment.

Data insufficient.

Profit and loss.

Data insufficient.

Items debited and credited in error to profit and loss prior to July, previous year, and adjusted since that date, and amounts assumed by receivers properly chargeable to profit and loss.

Data insufficient.

Back taxes assumed by purchaser.

Data insufficient.

Balance of delayed earnings and expenses after operating accounts were closed.

Data insufficient.

Debit occasioned by adjustment of equipment account.

Data insufficient.

Debit amount paid stockholders. Debit by renewal fund.

Data insufficient.

Charge to income account and credit to cost of road during current fiscal year on account of betterment and improvement expenditures.

Deductions for year.

Premium on prior-lien bonds purchased. Equipment reserve fund.

Deductions for year.

Bill against——Express Company charged off. [Bill against]——Railroad charged off. Sundry other uncollectible accounts.

Deductions for year.

Taxes for January 1 to June 30, 1899, not accrued during that period.

Deductions for year.

Discount and premiums on bonds. Discount on 4 per cent bonds——Railway. Voting trustees' expenses.

Data insufficient.

(1) Cost of——new standard-gauge freight cars. (2) Part cost of new standard-gauge dining cars. (3) Payment and adjustment of old claims.

(1) and (2) Permanent improvements or operating expenses. (3) Data insufficient.

Amount heretofore carried as construction and betterments charged to income.

Deductions for year.

Second installment paid for land costing \$——donated as a site for manufacturing plant.

Operating expenses.

(1) Deficit from operation of——Company. (2) Deficit from operation of——Company. (3) Corrections in income account.

(1) and (2) Other deductions if in current year. (3) Data insufficient.

(1) Uncollectible account——Company. (2) Depreciation in——Company's stock.

(1) Deductions for year. (2) Data insufficient.

(1) Taxes on lands in——and——paid during the year. (2) Contribution to——at——. (3) Trustee's expenses certifying and stamping——4 per cent bonds.

(1) Taxes, under deductions from income. (2) Operating expenses. (3) Data insufficient.

(1) Trustees' expenses and expenses printing and stamping——bonds. (2) Uncollectible accounts written off.

(1) Data insufficient. (2) Deductions for year.

(1) Unclaimed wages paid, heretofore charged off. (2) Judgments and cost in sundry suits [old]. (3) Depreciation on cars sold and destroyed. (4) Transferred from cost of road and equipment net amount expended charged to that account since the organization of the company in excess of the amount of bonds and stock, issued in acquirement of the property.

(1), (2), (4) Deductions for year. (3) Data insufficient.

Subsidy notes written off. Cancellation of bills receivable land department [prior to January 1, 1890]. Cancellation of account v.——Company.

Deductions for year.

- (1) Pay check issued [old]. (2) Net charge.
 (1) Deductions for year. (2) Data insufficient.
- (1) Adjustment sundry agents' accounts to agree with account current. (2) Sundry insolvent accounts. (3) Adjustment sundry materials to balance inventory. (4) Balance shortage in ex-treasurer's accounts uncollectible. (5) Adjustment of pay rolls to actual balance. (6) Deficit from sale of material for less than cost.
 (1), (2), (4), (5) Deductions for year. (3), (6) Operating expenses.
 Amounts paid ——— and ——— companies on readjustment of maintenance and operation bills.
 Deductions for year.
- (1) Expenses in connection with organization, etc. (2) Construction improvements, etc. (3) Locomotive repairs, etc. (4) Uncollectible accounts. (5) Sundry items.
 (1) Data insufficient. (2) Permanent improvements. (3) Operating expenses. (4) Deductions for year. (5) Data insufficient.
- (1) President's salary for two years prior to June 30, 1890. (2) Equipment account.
 (1) Deductions for year. (2) Data insufficient.
- (1) Unclaimed wages paid before [heretofore] charged off. (2) Adjustment in second-hand rail account. (3) Depreciation on cars sold, etc. (4) Transferred from cost of road and equipment, etc. (5) Balance from ——— company's books in transfer.
 (1) Deductions for year. (2) Operating expenses. (3), (4), (5) Data insufficient.
- Adjustment of interest in express contract.
 Data insufficient.
- Settlement of disputed accounts for construction of ——— extension.
 Data insufficient.
- (1) Amount paid ——— Company for coal. (2) Transferred from receiver uncollectible. (3) Cancellation of coal bill [if not current]. (4) Balance transferred from State land-lease account. (5) Uncollectible accounts.
 (1), (2), (4) Data insufficient. (3), (5) Deductions for year.
- Uncollectible accounts written off.
 Deductions for year.
- Judgments account of suits prior to reorganization.
 Data insufficient.
- Due individuals and companies ——— Railway rental.
 Data insufficient.
- Amount transferred to ——— Company.
 Data insufficient.
- Adjustment in division of salaries and expenses of general agency [old].
 Deductions for year.
- Bad debts.
 Deductions for year.
- Reduction in value of real estate.
 Data insufficient.
- Payments account floating indebtedness (for various purposes and to various companies and persons).
 Data insufficient.
- To correct error of previous year in division of operating expenses between this company and the ——— Railway.
 Deductions for year.

Depreciation.**Data insufficient.**

- (1) Reduction in value of marine equipment. (2) Amount transferred to sinking fund.

(1) Data insufficient. (2) Deductions for year.

Charge to income account and credit to cost of road during the current fiscal year on account of betterment and improvement expenditures.

Deductions for year.

- (1) Permanent improvement of steamships, and to provide against ultimate exhaustion of coal fields. (2) Uncollectible accounts several coal agencies.

(1) Data insufficient. (2) Deductions for year.

Charge to income account and credit to cost of road during the current fiscal year on account of betterment and improvement expenditures.

Deductions for year.

EXHIBIT B.

A CLASSIFICATION OF EQUIPMENT EXPENDITURES TO BE ADDED TO THE INTERSTATE COMMERCE COMMISSION'S "CLASSIFICATION OF CONSTRUCTION EXPENDITURE."

1. LOCOMOTIVES.

To this account should be charged the cost of locomotives and tenders, including all appurtenances, furniture, and fixtures necessary to equip them for service, purchased or built at the company's shops, including cost of transportation.

It does not include any locomotives purchased or built to take the place of those that have been worn out or destroyed.

2. PASSENGER CARS.

To this account should be charged the cost of coaches, chair cars, and smoking cars, officers' and business cars, including all appurtenances, furniture, and fixtures necessary to equip them for service, purchased or built at the company's shops, including cost of transportation.

It does not include any cars purchased or built to take the place of those that have been worn out or destroyed.

3. SLEEPING, PARLOR, AND DINING CARS.

To this account should be charged the cost of buffet, sleeping, parlor, observation, café, and dining cars, including all appurtenances, furniture, and fixtures necessary to equip them for service, purchased or built at the company's shops, including cost of transportation.

It does not include any cars purchased or built to take the place of those that have been worn out or destroyed.

4. BAGGAGE, EXPRESS, AND POSTAL CARS.

To this account should be charged the cost of baggage, milk, express, postal, and combination baggage and express, baggage and postal, or express and postal cars, including all appurtenances, furniture, and fixtures necessary to equip them for service, purchased or built at the company's shops, including cost of transportation.

It does not include any cars purchased or built to take the place of those that have been worn out or destroyed.

5. COMBINATION CARS.

To this account should be charged the cost of combination passenger and baggage, passenger and express, or passenger and postal cars, including all appurtenances, furniture, and fixtures necessary to equip them for service, purchased or built at the company's shops, including cost of transportation.

It does not include any cars purchased or built to take the place of those that have been worn out or destroyed.

6. FREIGHT CARS.

To this account should be charged the cost of freight cars of all classes, including all appurtenances, furniture, and fixtures necessary to equip them for service, purchased or built at the company's shops, including cost of transportation.

Freight cars may be classified as follows:

Box,	Furniture,	Tank,
Coal,	Oil,	Other cars in freight
Caboose,	Ore,	service.
Flat,	Refrigerator,	
Fruit,	Stock,	

This account does not include any cars purchased or built to take the place of those that have been worn out or destroyed.

7. OTHER CARS OF ALL CLASSES.

To this account should be charged the cost of all classes of cars not properly chargeable to any of the preceding accounts, including all appurtenances, furniture, and fixtures necessary to equip them for service, purchased or built at the company's shops, including cost of transportation.

The following is a list of the more important classes of cars coming under this heading, viz:

Ballast plows or unloaders, including	Painters,
cables used therewith,	Pile driver,
Boarding,	Plow and scraper,
Bridge,	Rail saw,
Derrick,	Rock crushers,
Ditching,	Snow plows (when not attachable to
Dynamometer,	locomotives),
Gravel,	Steam shovels,
Iron shovels,	Tool,
Locomotive tanks, retired from service,	Water,
used permanently as water cars,	Wrecking, etc.
Outfit,	

This account does not include any cars purchased or built to take the place of those that have been worn out or destroyed.

8. FLOATING EQUIPMENT.

To this account should be charged the cost of marine or floating equipment of all kinds, such as steamships, steamboats, ferryboats, transfer boats, vessels, launches, tugs, barges, canal boats, car and other floats, dredges, lighters, scows, etc., including all appurtenances, furniture, and fixtures necessary to equip them for service, purchased or built at the company's shops or yards, including cost of transportation.

It does not include any equipment purchased or built to take the place of that which has been worn out or destroyed.

9. DISCOUNT AND COMMISSION.

To this account should be charged discount on securities sold, commission on loans effected, and on notes issued for equipment purposes, and discount and exchange on other commercial paper issued for a similar purpose. Premiums realized from sales of bonds, stock, or other securities sold for equipment should be credited to this account. (Interest on equipment bonds, car-trust notes, or other equipment obligations should not be charged to this account.)

Mr. ADAMS, of the Interstate Commerce Commission. This report is signed by the entire committee. I perhaps ought to say that the signature of Mr. Morris is authorized merely by the fact that Mr. Morris wrote no letter saying he did not desire to sign the report. The other members of the committee have formally expressed their assent to this report.

The report was adopted.

Mr. MORGARIDGE, of Pennsylvania. I said when making the report of the committee of classification of operating and construction expenses of electric railways that there were some slight changes with relation to the interurban roads; that there were conditions that we didn't have at the time the classification was adopted, and with which the committee of the Street Railway Accounting Association are familiar, and that Mr. Duffy would like to address the convention for two or three minutes on that subject. I suggest that the convention hear Mr. Duffy now, and then we can adjourn.

The PRESIDENT. Such will be the order.

Mr. DUFFY. I will not take up much of your time supplemental to what Mr. Morgaridge has said. The Street Railway Accounting Association held their convention the week of October 10 in St. Louis, and the suggestion was made there, after the report of the standing committee of that association had been presented to the convention, recommending no change, the report being in substance the same as that made by Mr. Morgaridge to this association, that the classification did not specifically take care of the operations of interurban railways, and that there was another condition which was repeatedly coming into use, the use of electricity by railways—steam railways—notably such as will be used on the New York Central and on the Pennsylvania entering New York. The result of that talk was that our convention wanted to be advised if a conference was held of a meeting of the standing committee of this body and the committee of the Street Railway Accounting Association of America and the Association of American Railway Accounting Officers, and if they deemed it wise to modify the classification or to change it so as to take care of the specific conditions which were not in existence when that other classification was drawn and adopted; that it would be most desirable to take care

of it that way. And I only wanted to draw the attention of the members here to that, so that they would understand the situation, and to say for the Street Railway Accounting Association that our convention has authorized us to meet in conference with the other two associations and take up the question, and make any changes that are deemed desirable or do anything that that body or the conference of the different bodies think proper.

Mr. MORGARIDGE, of Pennsylvania. In line with the remarks of Mr. Duffy, I move that when this committee on classification of operating and construction expenses of electric railways is appointed for the next year that they be authorized to meet with the committee representing the Street Railway Accounting Association and the American Railway Accounting Association, and, if they deem it advisable, to make such changes in the classification as they see proper.

The PRESIDENT. You have heard the resolution of Mr. Morgaridge, of Pennsylvania; what will you do with it?

Mr. MORGARIDGE, of Pennsylvania. This committee to report to this convention.

The PRESIDENT. Does that carry with it the adoption of the report of the committee?

Mr. DECKER, acting secretary. You mean subject to the approval of this convention?

Mr. MORGARIDGE, of Pennsylvania. Yes, sir.

The motion was carried.

Mr. BURR, of Florida. I move that we take a recess until 8 o'clock to-night.

The motion to take a recess until 8 o'clock was carried.

At 1.15 p. m. the convention took a recess until 8 p. m.

NIGHT SESSION.

The convention met pursuant to adjournment.

The PRESIDENT. The convention will please come to order.

Mr. DECKER, acting secretary. While it is in our minds I move that a committee of five be appointed to report upon the time and place of the next convention. That report will have to be in to-morrow morning.

The motion was carried.

Mr. KILPATRICK, of Illinois. Before you take up any other matter I would like also to move that a special committee of three or five, as the chairman may decide, be appointed to draft a resolution of thanks to all of the people, railroad commissioners or anyone else, to whom we ought to return the thanks of this convention, to report to-morrow morning.

The motion was carried.

Mr. CLEMENTS, of the Interstate Commerce Commission. If it is in order now, I would like to report for the committee on legislation on

the resolution referred to by them to-day, offered by the gentleman from Florida, Mr. Burr. The Committee has directed me to report favorably on this resolution as amended, so that it will read as follows:

Whereas provisions of existing law do not adequately authorize and empower the Interstate Commerce Commission to properly correct and prevent unjust discriminations against persons and places, and enforce fair and reasonable interstate railway rates and charges: Therefore, be it

Resolved, by the National Association of Railroad Commissioners in convention assembled at Birmingham, Ala., this 16th day of November, 1904, That, in accordance with previous recommendations, the Congress of the United States be, and it is hereby, requested to so amend existing law as to authorize the Interstate Commerce Commission, on complaint that any interstate rate is unreasonable or unjust, and, after full hearing, to ascertain what rate is reasonable and just in the particular case, and order the carrier to observe that rate for the future, subject to rehearing upon application of the carrier when the conditions may have changed, the rate so prescribed to be effective unless enjoined by the court; and,

Be it further resolved, That the president of this convention appoint a committee of nine to go before the proper committees of Congress and urge the passage of this needed legislation, and that each Senator and Representative in Congress be furnished by the secretary with a copy of these resolutions.

The PRESIDENT. If you do not object, I would like to suggest one amendment to that; that is, that you substitute the word "association" for "convention," because my term of office will expire to-morrow, and I would much rather my successor would appoint that committee. He will be in better position to do it than I.

Mr. CLEMENTS. I think the suggestion is a very proper one. It is the association, anyhow, and certainly nobody will have objection to that.

The PRESIDENT. And my successor can appoint this committee. He will have time to consider it.

Mr. CLEMENTS, of the Interstate Commerce Commission. That can not possibly affect the merits of the resolution. It is simply in two parts. The original resolution appeared to ask Congress to pass an amendment which would authorize the Commission to establish all rates, whether complaint was made or not—the general rate-making power, the originating power of rates. That appeared to be the scope of it, and there was some objection to that. And the second particular in which it is changed is that the specific mention of telegraphic and express companies is eliminated; otherwise it is in substance the resolution as passed a year ago at this convention.

Mr. BURR, of Florida. The committee's amendments are acceptable to me, and therefore I move its adoption.

The motion was carried, and so the resolution was adopted.

Mr. BURR, of Florida. I stated this morning in offering that resolution, in naming a committee of nine, that it was my idea that the committee should be appointed, two members from each of the sections of this country geographically, the chairman to be selected from the Interstate Commerce Commission. That is not embodied in the resolution, and I make the statement at this time so that if there is any objection to that mode of procedure it will be brought out at this time.

The PRESIDENT. I presume that the president of the association will take into consideration the suggestions of the gentleman from Florida, and that in making these appointments he will probably—undoubtedly will—make them in accordance with the suggestions that accompany the resolution.

Mr. CLEMENTS, of the Interstate Commerce Commission. On that point, if I may be permitted, I would like to say that this convention is made up almost entirely from the representatives of State commissions. I scarcely think it would be best that any member of the Interstate Commerce Commission should be on that committee.

Mr. STAPLES, of Minnesota. It seems to me that it is proper at this time to refer again to the disposition made of the report of the committee on legislation at the session this morning. It does not seem to me that in the face of this resolution which has been adopted that the proper disposition was made of that report. It was simply received and ordered filed. It seems to me that the report ought to be adopted, and I make a motion to that effect at this time, that the report of that committee be adopted.

The motion was carried, and so the report on legislation was adopted.

GRADE CROSSINGS.

The PRESIDENT. I believe that the next order of business is the report of the committee on grade crossings. Is there any member of that committee present who desires to make a report?

Mr. CHADBOURNE, of Maine. I do not know that I am correctly impressed, but is it not a fact that in the report of the committee on legislation the recommendation was made that there be national legislation upon the matter of grade crossings.

Mr. DECKER, acting secretary. There is nothing in regard to grade crossings.

Mr. CHADBOURNE, of Maine. It seems to me that is a matter which should be entirely in the hands of the different State commissions, for the reason—

Mr. RICE, of Missouri. I do not know what the question at issue is.

Mr. CHADBOURNE, of Maine. Grade crossings.

The PRESIDENT. The chairman of that committee is not present. Mr. Spofford, of Maine, was the second member of that committee, and when the chairman on grade crossings wrote me that he would be unable to be here, I wrote to Mr. Spofford and urged upon him the

necessity of preparing a report upon that subject and having it ready for the convention. Mr. Spofford wrote me that he would be unable to be here, but that Mr. Chadbourne would be here and would probably desire to make, or would make, some remarks upon the subject of grade crossings which would be of interest to this convention; so if you choose to do so, Mr. Chadbourne, we will be glad, of course, to hear from you.

Mr. CHADBOURNE, of Maine. Thank you, Mr. President. I only arise simply because my associate, Mr. Spofford, who has been very busy in matters that he could not avoid, has been absolutely unable to make a report which would give expression of those views of that committee, which, of course, is composed of myself and others, and he asked me to explain the reason why he, under the invitation which was made by our President, had not made such report. And to the end that the matter may be fully understood, it occurs to me that it would be better, perhaps, if no report were made, nor that any remarks of mine should be considered in any degree as a report of the committee; but that further time should be given, and the matter should be referred to a committee appointed by the president of this convention, who should report to the next convention. And whatever I may say, I wish it distinctly understood that I have no desire whatever—I could not have the desire in view of all the opportunities for observation that I have had, that I should in any degree minimize the dangers of grade crossings. But it does seem to me that it is largely a local matter.

For instance, the State of Maine is a large State territorially. We have natural resources peculiar to our State, as important to our State, as wide in their application as are the resources of any other State, and we, as the citizens of that State, are very anxious to develop the resources of that State. And if there should be any ruling to apply to this whole great nation, applying alike to the densely populated areas, to railroads of large earning power, it would affect us almost disastrously. We have 2,000 miles of railroad in our State, covering an area as best it can of 31,000 square miles. We have something like 1,300 railroad crossings in our State, and the conditions that obtain in a State of that area, with a population of only about 680,000 people, would not apply to the more densely populated portions. For instance, the Maine Central Railroad, with a mileage of 829 miles, earns about 7 million dollars; the New York, New Haven and Hartford Railroad, connecting Boston and New York, running its entire length through a densely populated portion, with many cities, earns about 40 million dollars.

The first proposition to which I will call your attention will be this: That a comparatively short mileage, large earning power, in densely

populated portions, may appropriate a considerable amount of money, which in percentage to its gross earnings would be very much smaller than any amount which could be appropriated by the smaller earning-power railroads.

The New York, New Haven and Hartford Railroad Company found no difficulty whatever in expending a million and a half dollars in the city of Brockton to separate grade crossings. If that burden were put upon our Maine Central Railroad, which serves our people most admirably, and which is doing much for the betterment of our State, it would have to be capitalized. In fact, such an expenditure would be almost prohibitive, and yet the management of the Maine Central Railroad, the railroad commissioners of the State of Maine, and the people of the State of Maine recognize the fact that by the number of grade crossings which they separate, by that same amount they decrease the danger. But there is a wide difference between a crossing that is used by thousands a day and a crossing that is used by only tens per day. And the matter is so largely local in all of its phases, in all the duties which are put upon the railroads, that it does seem to me that it is a matter which should lie almost—aye, entirely—in the hands of the different State commissions, which are able within their jurisdiction to determine fairly and equitably what should be done by the different railroads.

Every gentleman in this convention will recognize the fact that there are many railroads, to use, perhaps, a common term, who are too poor to be economical; and, hence, the duty is put upon the people to be more cautious in their approach to grade crossings. I realize—perhaps I ought not to say that, but let me state it as a fact which I believe to be borne out by my own observation—that the old common-law injunction applied to grade crossings or to any crossing of a railroad to “Stop and look and listen” is not an unfair one; and were it carried out the accidents at crossings would be reduced at least to a minimum. But away beyond all that, there is not a railroad manager within my acquaintance who is not anxious to use every endeavor to the end that absolute safety shall be the rule at every crossing.

In our State, as far as we can conscientiously—as far as we believe it to be fair to the railroads and to the people—we urge the separation of grade crossings, and to quite an extent we have gone into that problem. And an incident occurs to me: In a little town outside of Bangor of not more than a thousand population there was a very dangerous grade crossing, even when it was used only as a highway. That town saw fit, very wisely and profitably to itself, to authorize a street railway to construct its line on their highways. This crossing was located at the mouth of, perhaps, a 10-foot cut. Everybody realized the danger of that particular crossing. Effort was made to separate

the grades, and we were called upon to act in the matter; and, under our statute, in which we have plenary powers, we called together the steam railroad, the electric railway, and the municipality, and we decreed that the highway should be changed near that point, and that an overhead crossing should be constructed. The estimates made by the engineer of the steam railroad indicated that it would cost at least \$12,000 to build that bridge. I believed that it would cost very much less, and the suggestion immediately made by the engineer was, "There is at least \$6,000 of masonry involved." "Very well; you don't need masonry." "Well, what will we substitute?" "Simply substitute instead steel plates, steel bents; set it on concrete foundations, two bents constructed together, so that practically you would have a tower, which would cost very much less, and I honestly believe that this scheme can be carried out at an expense of less than \$5,000." Time went on, investigations were made, and they adopted the theory of our commission. The grades were separated, the highways were changed at an expense of about \$4,700. The town objected to making an appropriation covering its part of the expense as we found it to be, but after going to the law court our decree was held to be right; and the expression was made, when the proposition was put to either of the interested parties—the steam railroad, the electric railway, or the municipality—that they would not have that act undone for \$25,000.

I only speak of that to show that, even in our sparsely settled State with railroads of comparatively small earning power, there is just the same desire on the part of railroad managers to eliminate this danger which is attendant upon grade crossings.

I might say, by way of passing, that I believe this danger is considerably exaggerated, simply because the people themselves using the highways year after year become careless. In fact I do not know of an accident at a crossing in our State but what is attributable, if not wholly, in most instances wholly, but in every instance largely, to carelessness of the traveler on the highway. And while I recognize the rights of the people to use their highways—while I recognize the supremacy of that right—yet I submit in all fairness, and in the interest of the development of the different sections of our different States, that with the constantly increasing demand of the traveling public that our trains shall be run at higher and higher speed, that less and less of obstacles shall be put in the way of the railroad; that the duty is all the more and all the greater and all the wider upon the traveler on the highway that he should exercise care and caution; that reasonable diligence in that direction demands that he shall take upon himself the burden of applying it to himself in the interest of those that are traveling on the railroads in our different States. And this is especially applicable to our State, where year after year the number

of tourists coming into our State in the summer is increasing, and with that increased traffic comes a demand for a higher rate of speed on our railroads.

If the burden were put upon the railroads of our State to at once, or within what may seem a reasonable time, separate the grades at every highway crossing in our State, the burden would be absolutely prohibitive, and it would absolutely prohibit the extending of many of our lines into now almost unexplored territory. Now, that may seem an almost absurd proposition; but let me call your attention to this fact, as it applies to our State—and what applies to our State with reference to our resources, may, I conceive, be applied to other States with resources that are peculiar to themselves. We have in our State a county, the county of Aroostook, very large in its area, that county being larger than the whole State of Massachusetts. It has a soil wonderfully adapted to the production of potatoes, and this year the crop of potatoes in that county is nearly 14 million bushels. Over 3 million bushels of that crop will be shipped into this great southern country. They have already commenced shipping seed into the State of Texas, and these shipments will continue now for at least two months. Now, you see what that means to the county of Aroostook.

There are 9 million acres of wild lands in our State through which and into which we have a great desire to extend the different railroad lines already existing; but the paying powers of proposed lines are exceedingly problematical, and the cost of the construction of those lines must of necessity be reduced to a minimum to the end that these sections shall be developed. Now, if we were obliged to separate grade crossings, if the crossings were under crossings, involving the building of considerable masonry, it would only be a fair estimate that each crossing would cost at least \$8,000, and that expenditure at the crossing, which would be obliged to be made, would be prohibitive, and that railroad could not be built.

I confess that I fear I am going much farther into this subject than is absolutely essential, but I do want to be understood by the gentlemen of this convention that from my standpoint the matter is almost entirely a local one, and should be left in the hands of the commissioners of the different States.

I move that the committee on grade crossings be excused from reporting to the association at this meeting.

The motion was carried.

The PRESIDENT. The next order of business is the reading of the report on uniform classification.

Mr. DECKER, acting secretary. Mr. President, I am directed by the committee to read the report of the committee on uniform classification and simplification of tariffs.

*REPORT OF THE COMMITTEE ON UNIFORM CLASSIFICATION AND
SIMPLIFICATION OF TARIFFS.*

The committee on uniform classification and simplification of tariffs desires to again bring to the attention of this association the able and comprehensive statements in regard to uniform classification of freights contained in the report presented by Commissioner Yeomans at the last convention. That report, which states the situation exactly and leaves little to be said upon the subject, reads as follows:

"Year after year this topic has been the subject of report by a committee of this convention. All such reports have urged the commercial necessity of uniformity in freight classification, and those reports have been adopted by the different conventions of this association.

"The desirability of a single classification of interstate freights is generally admitted, and the fact that such a classification has not long since been promulgated is due principally to the inability of carriers in different sections of the country to agree upon a common plan. It is true that commercial and traffic conditions in some parts of our great territory differ widely from those which prevail in others, and quite naturally the carriers at first maintained many different classifications. The necessity for greater uniformity, however, was so apparent that the number was speedily reduced to three, and an attempt was then made to further reduce them to one. As stated in the last report to the association on this subject, 'a committee appointed by the railways for that purpose agreed upon such a classification, but the railways refused to accept it. Since then no serious attempt in that direction has been made upon their part. The Interstate Commerce Commission, after a careful examination of the subject, has in nine of its reports to Congress discussed the desirability of a uniform classification, and expressed the opinion that it was feasible and should be required. This convention of railroad commissioners has upon eleven occasions resolved to the same effect. A Senate committee in 1896, after hearing all the railways had to urge in opposition to the plan, was practically unanimous in its favor.'

"It is even more desirable now than it was in 1888 and 1889, when the uniform classification committee of the railroads was considering the subject, that the classification of freight articles should be the same throughout the United States. The general principles governing the classification of freights, which is dividing the common articles of commerce into different classes, are well understood—bulk, weight, value, risk, character, and ease of handling or carriage being the most prominent—and there is no difficulty in giving general application to such principles. To a certain extent competition between differently located producers of the same commodity or between different commodities devoted to a common use may be said to enter into the problem, and in some instances competition between the carriers themselves has been given controlling effect. It is not believed that these considerations would operate to prevent the successful operation of a uniform classification if the carriers should make an earnest attempt to put such a classification in force.

"The serious and growing obstacle to securing uniformity in classification is found in the increasing disposition of carriers to advance rates by making changes in their classifications. They doubtless realize that they would be less able to change the classification for the purpose of advancing rates, if the consent of all important carriers throughout the country must first be obtained. Under present conditions a few large carriers in official classification territory can, without serious difficulty, change the classification of freight articles so as to secure large additions to their revenue. This was actually done on

January 1, 1900, and the carriers using the southern and the western classifications have since also made classification changes intended to increase their revenues. At times reasons may exist to justify some increase in classification on particular articles, because they are classed too low, and it is possible that numerous articles in a given class may, by reason of changed conditions, be advanced to a higher class without violating the principles which apply in making freight classifications, but arbitrary advances in classification for the sole purpose of increasing earnings are unjustifiable upon any ground. Necessary advances in rates should, as a general rule, be made in the rates themselves, and only through changes in classification when that course is clearly indicated for the purpose of correcting an otherwise improper classification.

"The tendency of the carriers to discourage this move makes it all the more imperative that a uniform schedule of freight classification shall be adopted and enforced. It is idle to expect any voluntary action on the part of carriers themselves, and, as has been frequently said in reports to this association, the only possible means of obtaining such uniform classification is through legislation by Congress, your committee can only repeat the recommendations of last year—that the National Government, through the Interstate Commerce Commission, or by some other means, shall establish and put into effect a uniform freight classification, with such exceptions as are necessary to meet the actual conditions applicable to the different sections of the country, unless said classification shall be adopted and promulgated within a specified period by the carriers themselves."

In other words, what I have been reading was the report made last year. The last paragraph above quoted contains a slight amendment made by the convention prior to its adoption of the report by a nearly unanimous vote.

Nothing would so greatly tend to the simplification of railroad tariffs as uniformity in freight classification, and without it the practice of inserting mystifying rules in the tariffs will probably continue to perplex shippers in all sections of the country. Under the interstate-commerce law, as it has been construed by the courts, mistakes in naming the rate to a shipper or even in stating the rate upon the bill of lading are subject to correction by the carrier. The classification and tariffs which are by law open to the inspection of shippers, and which they are expected to consult, are held to govern, and they can not be varied by any contract or understanding at the time of shipment, even though such contract or understanding rests upon what was believed to be the actual tariff rate. Thus, goods are often sold upon the basis of an erroneously quoted rate and the shipper must bear the loss.

Uniformity in classification would largely diminish the use of combination rates, for an article can not have a joint through rate when shipped through different classification territories unless it is classed the same in both classifications, or is given a special through commodity rate; and where conditions do not imperatively demand commodity rates such rates should not be used. Rates from western points like Chicago to Richmond or other Virginia cities are based upon the Official Classification. Rates from Chicago to points in North Carolina and South Carolina on freight passing through Richmond are based upon the Southern Classification; but if the combination of Official Classification rates to Richmond, added to Southern Classification rates from Richmond to Carolina points, is less than the through Southern Classification rate from Chicago to points in North or South Carolina, the lower combination rate is commonly used.

The combination rate is, of course, not published at the point of shipment, and the confusion resulting from this complex basis of determining rates may be imagined. The Official Classification extends west to the Mississippi River and

the Western Classification extends east to Chicago. In the territory between Chicago and the Mississippi these two classifications overlap each other. A shipper in Cincinnati sending goods to a Mississippi River point must use the Official Classification and the shipper in Chicago shipping to the same Mississippi River point uses the Western Classification. The variations in classification often result in unusual, unnecessary, and prejudicial differences in the charges. These are only a few of many instances that could be cited to show the complications and injustice entailed by the different methods of classification.

For some years the public, disheartened by the delays attending this movement for uniformity, has not demanded progress in that respect with the insistence that was exhibited up to 1897, but the desire of the people for the establishment of a single freight classification is frequently shown in expressions of opinion originating in all parts of the land, and action intended to bring about a renewed manifestation of the public will upon this subject should be taken at an early day. It is true also that some peculiar conditions may have arisen in recent years which would tend to modify in some degree the scheme as it was originally proposed, and which we are accustomed to refer to by the term "uniform classification."

In the view of your committee it seems advisable that this convention should, by adoption of this report or otherwise, represent to the Interstate Commerce Commission the desirability of a new investigation by it of the whole subject in such form as to bring upon the record all of the present conditions which operate to support and any which operate to oppose the proposition of uniformity in classification and to make public a report of the investigation. It is believed that such official inquiry by the only public body possessing authority to institute and conduct it would certainly serve to concentrate public attention and call forth full expressions of opinion from railroad and shipping interests, thereby providing new and up-to-date data upon which to base intelligent consideration and any necessary resolute action upon this extremely important subject.

Mr. DECKER, acting secretary. I move the adoption of the report.

Mr. GARRIS, of South Carolina. I believe that it is well known in this association, on account of the stand which I took just one year ago in Portland, Me., that there is at least some opposition in this convention to uniform classification. But as I believe it is necessary for me to explain, on account of the position I propose to take—that is, the position that I practically withdraw the opposition that I had one year ago to the adoption of this report. It is necessary to explain the reason why.

If you will notice on page 2, very nearly to the bottom of the page, at least the second paragraph from the bottom, you will find these words: "The last paragraph above quoted contains a slight amendment made by the convention prior to its adoption of the report by a nearly unanimous vote." The amendment referred to is an amendment which gives the various localities of these United States the right to determine the classification of particular articles in particular territory where the rate ought to be higher or lower, on account of the peculiar conditions; it is a right that I didn't feel the States should give up. It was for that reason I made the fight one year ago against absolutely

unqualified uniform classification. So that the right, while it is not named by States, was practically conceded to the States by the National Association of Railway Commissioners, and I withdrew my opposition.

Now, I wish to protest just against one thing. "The desirability of a single classification of interstate freights is generally admitted." So far as I am concerned, as a railroad commissioner of a single State, I am unwilling to admit that we are willing to say, when I know the different localities of the United States and the requirements of the several localities, that each locality in itself would be willing to subscribe to a uniform classification. But I do admit that this report is gotten up to do something for the people of the United States. Every line of it, every syllable of it has some reference to the interstate-commerce law of the United States, and doesn't attempt, as I read it, to invade the rights of the States to control the commerce of the States. As I said a moment ago, I am unwilling to subscribe to the sentiment that I, or that the States, are willing to adopt a uniform classification absolutely; but since, in the paragraph that I have referred to a few moments ago, exceptions even in their interstate control of rates is alluded to and admitted and conceded by the committee, I want to withdraw my objection to the report submitted last year at Portland, Me., so as to appear consistent before this convention.

The PRESIDENT. The motion is upon the adoption of the report of the committee as made.

The motion was carried, and so the report was adopted.

The PRESIDENT. Mr. Griffin has a telegram, which I desire that he read to the convention, which explains itself. It is in response to an invitation of this convention to Mr. Russell, vice-president of the Mobile and Ohio Railroad Company, to address it.

Mr. GRIFFIN, of Alabama. Colonel Russell, as you know, was to address you here, and we have this telegram from him:

Regret impossible for me to be present in Birmingham. On arrival commissioner's train at Mobile Friday, if on time, have arranged for them to go immediately to vessel, from which we will show them our river front, and give them refreshments and entertainment, etc. The mayor will make address of welcome. You select somebody to reply. I will also make a few remarks on landing. Athelstan, Manassas, and Elks clubs will be open and hearty reception extended to members and ladies of the party, with music, etc.

The PRESIDENT. The next order of business is the report of the committee on safety appliances and block signals. In the absence of the chairman, I suppose some member of the committee will read the report.

Mr. KILPATRICK, of Illinois. I wish to preface my remarks by saying that I urged the chairman of the committee, Mr. Moseley, on three or four different occasions to get together and have a meeting of the

committee, but we did not have any meeting. I found the printed report of the committee on my arrival here, and we got together, Mr. Le Cocq, of South Dakota, and myself, together with Mr. Decker, representing the chairman, and we finally concluded that we would report the printed report as the report of the committee, although it is not just what I would have reported myself had I been consulted in the matter. The statements in it are absolutely true, though the deductions made from the statements do not quite coincide with what I would report myself. This report reads as follows:

REPORT OF THE COMMITTEE ON SAFETY APPLIANCES AND BLOCK SIGNALS.

THE BLOCK SYSTEM.

By the resolution under which this committee was appointed it was the sense of the association that three points should be dealt with: (1) Data concerning existing conditions; (2) recommendation of best method of block signaling; (3) what legislation is needed.

The existing situation, taking the country as a whole, may be described in a few words. Most of the principal railroad companies have the block system in use on parts of their lines, but the aggregate mileage of road block signaled is less than one-fifth of the total in the country. Collisions continue to occur with painful frequency, and the use of the block system is extended but slowly. Some few roads have made considerable extensions during the past year, but on others, and in all parts of the country, important lines remain without block signals.

As to the best method of block signaling it would be out of place for this committee to express an opinion. Any of the different arrangements used could be recommended as immeasurably better than the continuance of the old methods—time-table, time interval, flagging, and torpedoes. As between the different automatic devices, the question of excellencies or defects is a delicate one, because in many features the apparatuses of rival manufacturers or patentees differ from one another chiefly in details; in those details of construction or operation which are understood only by men intimately acquainted with them—the inspectors and maintainers employed by the railroad companies. The testimony of these inspectors and maintainers has not been collated in available form. Wherever block-signaling methods or apparatus are at all unsatisfactory the fault is much more likely to be found in the methods of administration or of care taking and inspection than in the mechanical construction of the devices or the principles laid down for their operation. Much of the nonautomatic block signaling in this country is carried on with an insufficient equipment of apparatus. While it is possible by constant care to carry on the work with a degree of success in spite of this deficiency, it would be manifestly wrong to recommend for adoption any arrangement not provided with all of the generally approved signals, distant signals, and accessories.

In the matter of legislation this committee can do no better than recommend that this convention give its unqualified indorsement to the proposition made by the Interstate Commerce Commission to Congress in its seventeenth annual report, presented last December. That proposition embraced a draft of a proposed law, a copy of which is appended hereto. The Commission based its recommendations on well-settled experience in England, where the block system has been

universal for many years, while at the same time the conditions in this country were at every step fully considered. It is much to be desired that a statute like that proposed to Congress be proposed and adopted in each State; but in view of the fact that public opinion on the subject has not yet become thoroughly crystallized, it would seem best to concentrate attention and effect on the National Legislature, at least for the present.

We have said that collisions occur with painful frequency. The record in the daily press has, indeed, called general attention to the subject, and the urgent need of safer methods in the management of trains has been pressed home on the minds of the people of the country during the past year more forcibly than ever before. The number of enginemen, firemen, and other trainmen killed or maimed in collisions has shown no material diminution from former years, and the number of passengers whose lives have been sacrificed to the widespread faulty methods which prevail has been much larger than in any other recent year. In the last three months of 1903 five serious collisions caused 99 deaths and 175 injuries. These occurred, one in New Jersey, one in Indiana, one in Louisiana, one in Illinois, and one in Michigan. The distressing circumstances connected with these collisions and the particulars of the misconduct, negligence, or mismanagement which led up to them were set forth in Accident Bulletin No. 10, issued by the Interstate Commerce Commission. In July of the present year occurred two collisions, one in New Jersey and one in Illinois, still fresh in the mind of everyone present, in which nearly two score passengers were killed and many injured. In one of these cases the victims were mostly innocent children returning from a picnic.

No one who reads the bulletins of the Interstate Commerce Commission, issued every quarter, need be in ignorance of the true situation or of what ought to be done to prevent at least a large part of this horrible yearly sacrifice to the shortsighted policy which makes these wrecks possible.

The perusal of the Government bulletin reminds one that collisions are not the only causes of accidents to railroad employees and passengers. Some accidents may almost be classed as unpreventable. The worst disaster in 1903 was due to an accidental derailment caused by a heavy timber falling from a freight train in front of a fast passenger train. This caused the death of 65 passengers. Both passengers and railroad men are killed and injured by accidents due to their own want of caution. But these considerations must not blind us to the question in hand. The specific problem has to do with those collisions which are clearly avoidable, with the lessons of cases which could in all probability have been prevented by means which are well known.

The simple and plain solution is to require all of the railroads which carry large number of passengers or run passenger trains at high speed to adopt the safety methods which are already in use on many prominent roads. In other words, some of our railroads have, at least on a portion of their lines, pursued an enterprising policy, while others have taken an opposite course; and the thing to be done is to take measures to secure uniformity, to secure the adoption of a wise policy on all railroads.

The use of the block system to prevent rear-end collisions was begun in this country more than twenty years ago, and it is matter for reproach—yes, for severe condemnation—that a means so well known has not been more rapidly and generally introduced. Signals of approved form were introduced to a limited extent in New England and in New York in 1882 and earlier. In New Jersey and Pennsylvania the "telegraph block system" has been in use even longer than that. Three or more of the leading railroads centering in Chicago have used block signals on their busiest lines since before the World's Fair of

1893. Block signals have been in use for years on the Pacific coast and in Ohio, Kentucky, and Tennessee.

As has been pointed out in the annual report of the Interstate Commerce Commission, the generally understood reason for the nonadoption of the block system is its cost. Where automatic signals are adopted, an investment of \$2,000 per mile of road, more or less, according to the conditions, is necessary at the outset, and maintenance costs perhaps \$100 per signal yearly. On many roads the traffic is so light that these large expenditures would be prohibitive. If the simple "telegraph block system" is used a skilled attendant is required at every station which is used as a block-signal office, and in most cases the attendant must be on duty night and day; that is to say, there must be two attendants at each station. With the dangerous time-interval system, under which so many collisions occur, trains are required to be kept ten minutes apart, and attendants may be dispensed with at most of the stations in the night, and at the smaller stations for a part of the day. This system, when buttressed by efficient flagging rules (to guard against collisions when a train is unexpectedly stopped on a curve), produces a degree of safety; but from a lack of discipline, or from infirmities of the human mind which can not be cured, the regulations break down, collisions occur, and the death record goes on month after month and year after year. The time interval is economical in operation, but it sacrifices lives. The space interval (block system) is more costly, but it adds immeasurably to safety.

No one should be deceived by the fact that the block system does not provide absolute immunity from collision. We might fairly cite the absolute safety with which millions of passengers have been and are being carried on our important trunk lines in Connecticut, New York, New Jersey, Pennsylvania, Illinois, and other States—lines where the block system is in use under skillful management—as evidence of the degree of perfection attainable; but it is freely admitted that human fallibility sometimes defeats elaborate mechanical or administrative safeguards. Both locomotive engineers and signalmen in towers have erred in spite of good signals and wise regulations. But "human fallibility" must not be charged with more than its proper share of the burden of responsibility. Nearly or quite every case in which some good engineman or signalman has made a mistake under a good system has proved, on investigation, to be less mysterious than at first appeared. Some well-known safeguard has been found to have been omitted in the administration of the regulations or in the maintenance of the mechanical or electrical appliances, or the man responsible is found to be less free from faulty habits than had been supposed.

Moreover, it is not really necessary, in the study of this subject, to confine oneself so closely to the accident records as is customary. The superiority of the block system to the ordinary method of managing trains is easily demonstrable to anyone who will look into the matter by a very brief comparative study of the two methods. They are so radically different that the one *must* be superior to the other, unless the better plan is recklessly ill managed.

The time interval keeps trains separated only at the stations. A train leaving a station ten minutes behind the one next preceding may overtake it just beyond the next curve. This happens if the leading train is disabled. A train thus unexpectedly stopped should be protected by flag or red light, but flagmen often neglect their duty or perform it imperfectly, and a collision occurs. A flag may escape the attention of the following engineer; to guard against this danger torpedoes are provided; but when the flagman rejoins his train, leaving the torpedoes behind, they will give the danger signal an hour afterwards and when it is entirely unnecessary—if no train comes within that time—and this, after long familiarity, leads enginemen to partly disregard such signals. Where

trains follow one another closely and for long distances the rigid execution of the flagging rules necessitates the employment of several flagmen (brakemen) on each train; and if the brakemen are not needed for any other service, this is costly, and as a consequence they are not employed and the rules are not rigidly enforced. These are samples of the difficulties constantly attending the carrying out of the flagging rule; and the time-interval method of running trains is not safe without efficient flagging.

With the block system, on the other hand, the rules are simple and easily understood, and the uncertainties of the flagging rule can be done away with. Freight trains always have to be kept out of the way of passenger trains; with the time interval this imposes on every freight conductor the duty of carefully studying the time-table and of accurately computing times; and the engineman, engrossed with the care of his greasy engine, is required to do the same thing so as to check possible errors by the conductor. The block system, on the other hand, takes from the conductors and enginemen the responsibility of reading time-tables, adding and subtracting minutes, deciphering poorly written telegrams, carrying out flagging regulations, and studying partially understood rules on various points, and substitutes for this a force of signalmen situated at fixed points and making the safety of trains their chief duty. The time-table and the calculations by the watch become minor matters, and the block system greatly increases safety even if there be no improvement in the men or in their discipline. The engineman, rushing through space at a mile a minute, instead of having to strain his eyes in a dense fog to guard against missing a possible flagman on the track ahead, knows that the stop signals are always to be expected at the fixed block signals, not at random points; and the location of every block signal is so thoroughly well known that he never has to guess where to look for it or be in doubt for a moment.

The compulsory use of the block system would not impose upon any railroad the necessity of buying or using any particular mechanical device or appliance. The essential instruments are a telegraph or telephone line, or other electric communication, and an outdoor signal on a post to give the indications. Of such signals there are several approved designs. All of the necessary mechanical and electrical appliances are made by many different establishments, and a number of railroads make them in their own shops. It is true that patented articles are in use, and especially in automatic signaling patented articles are common; but it is not proposed that *automatic* signals be required by law. The law proposed by the Interstate Commerce Commission does, however, freely permit the use of automatic signals.

In spite of the claim, expressed or implied, that the block system is costly, the advocate of the universal adoption of the system has the unanswerable argument that a considerable number of railroads which do a comparatively light business have adopted it and have used it for years, with a good degree of success. On one road several hundred miles long the "telegraph block system" was put in use not long since at an additional expense in wages of not over 3 per cent. That is to say, the stations were already manned with telegraph operators, night and day, to such an extent that only a small number of additional operators had to be employed, and this addition to the pay roll was the only direct expense, aside from the cost of an additional telegraph wire and the telegraph apparatus needed. The signals already in use as train-order signals were in many cases made to serve as block signals.

Many railroad managements have deferred the question of introducing the block system on the ground that in consequence of the long distances between stations trains would be kept so far apart as to delay many of them and the traffic would be blockaded. But as against this we have the actual experience

of other roads similarly circumstanced which have adopted the better plan and have found their fears groundless.

The bill proposed by the Interstate Commerce Commission is drawn on the theory that the expense necessary for the construction of new signals or for electrical wires or apparatus necessitated by the use of the block system, as well as the increased expense for wages of signalmen, should be distributed over a term of years, each railroad being required to adopt the block system on one fourth of its passenger lines by January 1, 1906; on another fourth by January 1, 1907, another fourth one year later, and on the whole by January 1, 1909. Under this plan many of the principal lines would be required to make no important additions to their expense accounts for the first two years, and some would feel no burden for the first three years. On the more important lines of the country the system could reasonably be introduced in two years less than the term just mentioned, for many of these railroads already use on a good portion of their lines block signals, which substantially comply with the requirements of the suggested statute. There is no question that the larger railroads fully recognize the correctness of the block-signal principle and the practical adequacy of the system in operation, and yet these very companies, on parts of their lines, and many other companies throughout their lines, continue the use of the old methods. The question of expense should not be allowed too great weight, for the lives of passengers and trainmen are as valuable on one line as on another and demand a like degree of protection.

We may summarize our conclusions from the foregoing facts and arguments by saying that only a small part of the railroad mileage of the country which ought to be block signaled is block signaled, the railroads themselves being judges; that simple unpatented methods and apparatus are available, and that the strong arm of the law is needed to bring about a satisfactory degree of progress in this greatly needed improvement. The suggestion that the railroads themselves will admit the need of extension is based on the fact that some railroads make plans for new block signaling, but postpone their execution. But this admission of the need is limited to lines with considerable traffic. A true view of the situation is more comprehensive than this. The block system is needed and is economically feasible on lines of both light and heavy traffic. But on lines or branches which do not yield a satisfactory profit railroad companies are usually very reluctant to make even a small expenditure for improving the service, and therefore it behooves the public to see that legislative action is taken.

DRAFT OF A BILL TO REQUIRE THE USE OF THE BLOCK SYSTEM.

Be it enacted, etc., That the Interstate Commerce Commission, hereinafter referred to as the Commission, may order any common carrier engaged in interstate commerce by railroad, or owning or operating a railroad in any Territory or in the District of Columbia, to adopt the block system on one-fourth part (in length) of its passenger lines, within a time specified; the order to be issued and published two years at least before the date specified for its fulfillment.

SEC. 2. That the Commission, as aforesaid, may order such carrier to adopt the block system on one-half part of its passenger lines within a time specified, the date for fulfillment to be at least one year later than the date for fulfillment of the order to the same carrier authorized by the preceding section; and the order to be issued at least eighteen months before the date specified for its fulfillment.

SEC. 3. That the Commission, as aforesaid, may order such carrier to adopt the block system on three-fourths part of its passenger lines, and subsequently on the whole of such lines within reasonable time; the intent of this section being

(1) to require the gradual adoption of the block system and (2) to require its adoption throughout all passenger lines by the first day of January, nineteen hundred and nine.

SEC. 4. That in respect of any passenger line, whether it be the whole or a part of a company's line or lines, on which the receipts from carriage of passengers, express traffic, and United States mails shall for two years have aggregated \$1,500 per mile per annum, or more, as shown by the records of the carrier, the Commission as aforesaid may order and require the adoption and use of the block system throughout the line by January one, nineteen hundred and seven, due regard being had to the principle of gradual introduction, as embodied in sections 1, 2, and 3.

SEC. 5. That in respect of passenger lines on which the receipts from all traffic—passenger, express, United States mails, and freight—shall for two years have aggregated \$3,000 per mile per annum, or more, as aforesaid, the Commission may order and require the adoption and use of the block system as in the preceding section.

SEC. 6. That for the purposes of sections 4 and 5 the Commission may require from any carrier a report, annually, of its receipts from the carriage of passengers, from express traffic, from United States mails, and from freight, in which the sums pertaining to the different divisions of the railroad, as defined by the Commission, shall be shown separately; such report or reports to be made and filed in accordance with the rules and requirements governing the making and filing of carriers' annual reports. The Commission shall not make arbitrary and unreasonable divisions of a railroad, and may require, accept, and use approximate statements of receipts for any period previous to July one, nineteen hundred and four.

SEC. 7. That for the purposes of this act the Commission may require every common carrier affected by the act to seasonably file at the office of the Commission in Washington a plan or plans, sketch or sketches, showing all of its main tracks and the situation of all side tracks connected directly to main tracks, cross overs, switches in main tracks, crossing, drawbridges, derailing switches, fixed signals, signal towers, or cabins, station buildings, highway crossings, bridges (supporting tracks), overbridges, water stations, and coaling stations; such plans or sketches to be drawn to as small a scale as is practicable, consistent with their purpose, and to have the aforesaid features suitably and clearly indicated and described by words or abbreviations; and to have memoranda showing what, if any, main tracks are used for freight traffic only; and to be accompanied by a statement showing the length of each division, branch, and separate line, with the names of its termini; and showing also what lines or parts of lines are worked by the block system, specifying the kind, whether manual, controlled manual, or automatic.

SEC. 8. That every carrier to which an order requiring the adoption or use of the block system shall be issued under this act shall, within three months after the receipt of such order, file with the Commission a plan or sketch of the line or lines affected by such order, with a statement of the means and methods intended to be used in carrying out the order. Such statement of means and methods shall include the rules under which the carrier intends to order and regulate the movement of all trains on such line under the block system; and said rules, when approved by the Commission, shall be the lawful regulations for the movement of trains on the line or lines affected by such order, and it shall be unlawful to move any car or engine on such line, except in accordance with such rules.

An order may be issued specifying "one-fourth" or "one-half" or "three-fourths" of a line, in accordance with this act; and in such case it shall be the

duty of the railroad company to decide what part or parts of its line or lines shall be taken to make up such fraction and to embody such decision in its plan and statement to be sent to the Commission. In default of such decision and statement it shall be the duty of the Commission to decide what line or lines or parts thereof shall be subject to its order; and an order specifying lines, approximating in length the fractions named in this act, shall be lawful. An order may allow exceptions and modifications, and may be revised and reissued.

SEC. 9. That whenever and wherever there shall exist on a railroad line where the block system is in use or is to be adopted in accordance with this act any switch, drawbridge, railroad crossing, or street railroad crossing which is not provided with an adequate interlocked signal suitably fixed and maintained and regularly attended the Commission may require the carrier to submit for approval a rule or code of rules limiting and regulating the speed of all trains passing or approaching such drawbridge, switch, or crossing, and it shall be unlawful after a date fixed by the Commission to move a train, car, or engine on or across such drawbridge, switch, or crossing, except in conformity to such rule or rules approved by the Commission.

SEC. 10. For the purposes of this act a passenger line shall be deemed to be any railroad or part of a railroad on which one or more trains for the conveyance of passengers are regularly run in each direction each week day: *Provided*, That this act shall not apply to any railroad or section of a railroad on which, by a suitable regulation, approved by the Commission, only one engine under steam or one electric engine or motor car, or two or more such engines or motor cars coupled together, are or will be permitted to be at any given time: *And provided further*, That for the purposes of this act an engine or a car running by itself shall be deemed a train.

SEC. 11. That the Commission, before issuing any order under either of the first five sections of this act, shall give full and due hearing to all persons and carriers interested.

SEC. 12. That the Commission be and hereby is empowered and directed to enforce this act; and said Commission, by suitable agents and inspectors, shall keep itself informed concerning the action of the carriers in the matters to which the act applies.

Any circuit court of the United States shall have jurisdiction to issue a writ or writs of mandamus against any carrier subject to this act, commanding obedience by such carrier to any lawful order made by the Commission under this act; and the Commission may apply to any such court for such writ against any carrier which shall wilfully neglect or refuse to obey any such order. It shall be the duty of the district attorney, under the direction of the Attorney-General of the United States, to prosecute all necessary proceedings for the enforcement of this act, and the cost and expenses of such prosecutions shall be paid out of the appropriation for the courts of the United States.

SEC. 13. That every carrier subject to this act shall file with the Commission, twice each year, in January and in July, beginning in July, nineteen hundred and four, a report, on a form to be prescribed by the Commission, setting forth the number of miles of its railroad on which the block system was in use on the last days of December and June, respectively, preceding the filing of the report, specifying the kind of block system in use on each division or section. The first report made by any carrier under this section shall be accompanied by a copy of the regulations which are followed in the management of the block system, and each subsequent report shall be accompanied by a statement of changes (if any) which have been made in such regulations since the last preceding report was made.

SEC. 14. That for the purposes of this act the term "block system" shall be taken to mean the methods and rules by means of which the movement of railroad trains (cars or engines) may be regulated in such manner that an interval of space, of absolute length, may at all times be maintained between the rear end of a train and the forward end of the train next following. The term shall be taken to include automatic block signaling, so called, but no order shall specify the kind of block system, or make or cause any discrimination between automatic, so called, and nonautomatic.

NOTE.—Section 14 above may be further explained as follows:

The term "block system" is used to designate the method whereby, by the use of the telegraph, telephone, or electric bells, or by automatic apparatus, each train is prevented from leaving a certain point until the last preceding train has passed beyond a certain point farther on. Many roads introduce it primarily for the purpose of preventing rear collisions, though where trains must follow one another very frequently the block system becomes a means of increasing the capacity of a railroad, as without it there must be an interval of time between each two trains of from five to ten minutes. With the block system this interval may be reduced one-half or more. On single-track railroads the system is also a preventive of collisions between trains moving in opposite directions toward each other, as the men or apparatus at each end of each block section, whose duty it is to protect following trains, are equally available for the protection of opposing trains. Without the block system protection from rear collisions depends on elaborate instructions for the use of red flags (or lanterns), torpedoes, and fuses, which instructions are difficult to define and often hard to enforce. Protection from butting collisions depends on the exercise on the part of enginemen and conductors of the most intelligent and unceasing vigilance, and on the exercise of the utmost care by the train dispatcher, who, by the use of the telegraph, regulates the movements of those trains—a large proportion of the whole—for which the time-table does not prescribe meeting points.

No statistics are available by which to make an accurate estimate of the relative safety of the block system as compared with the old or time-interval system, and, indeed, no intelligent comparison is possible without data concerning density of traffic and concerning the personnel of the operating department, which have never been gathered. Such comparisons have been made, however, by railroad managers from limited data, and the increasing use of the block system during the past few years, which is a result of these comparisons, gives evidence of the superiority of that system.

MR. KILPATRICK, of Illinois. I think it is well known to every member of this convention that a block-signal system is a necessity on a line of heavy traffic and where high speed trains are worked. Some of the statements made in this report are not altogether in accord with the facts in the case, but we all know, at least in our State, that all of the railroads which expected to do a heavy business over their lines to the World's Fair this year have adopted block signals, every one of them, in some form or other. In addition to that, the provision of the time-table and book of rules for the flagging of trains has not been omitted. It is just as imperative upon the trainmen to protect their trains by flag, even within the block, as it ever was. However, I think that there is no question in anyone's mind that the block signal is necessary to the protection of the lives and property of the peo

ple on the railroads of our country, and ought to be installed on the more important lines as soon as they can possibly do it. I therefore concur in the general statements.

Mr. RICE, of Missouri. That also applies in Missouri. I concur.

Mr. KILPATRICK. I move the adoption of the report.

Mr. YAPP, of Minnesota. In seconding the motion for the adoption of the report of the committee on safety appliances and block signals, and in support thereof, I beg to offer a few remarks.

The Interstate Commerce Commission, on page 103 of its seventeenth annual report, makes this statement:

Railroad accidents, their causes and their results, have been considered in judicial decisions and in the deliberations and verdicts of coroners and coroners' juries, and to a very limited extent by State railroad commissions, but none of these has dealt comprehensively with the subject, and apparently no improvements in railroad service or reformatory measures of any kind have been accomplished by these means.

This is to a very great extent true; for out of 45 States in the Union only 15 of them are required by law to investigate accidents where injury and loss of life occur. In seven of these States, namely, Virginia, New Hampshire, Maine, North Carolina, Rhode Island, and Michigan, they are required to report accidents within a specified time, and the commission may investigate if it deem fit. In five States, namely, Mississippi, Ohio, Connecticut, New York, and Illinois, the railroad companies are required to report accidents, and the commission is required to investigate. In Louisiana written report only is required. In South Carolina railroad companies are required to report, and penalties are provided where accidents arise from gross negligence. In Massachusetts railroad companies are required to report, and the courts are required to notify the commissioners of the inquest. In Virginia the railroad companies are required to report, and the commission has to investigate and make public its findings. I understand that all railroad companies are required by law to make monthly reports to the Interstate Commerce Commission of all accidents occurring during the month where injury or loss of life result to passengers or employees; which reports are used for investigation and statistical purposes. It would seem that, in order to help the Interstate Commerce Commission in its investigations of these railroad accidents, the various State commissions should take up this matter individually with the view of having laws enacted whereby railroad companies should be required to report, and the commissioners should be required, and it should be made part of their duty, to investigate all accidents in their respective States where injury or loss of life occur, and that their findings should be made public, as in Virginia, and the responsibility placed where it belongs. The details.

and publicity would no doubt prove quite a factor if taken up at the time, or shortly after the disasters. We can all appreciate the position of the railroad officials where accidents arise, especially from gross carelessness, and naturally their objections would be against publicity; but, on the other hand, if publicity were given, would it not stimulate the officials to greater effort to see that their orders were in every sense strictly complied with by their subordinates? In our State we often read of accidents occurring, with injury or loss of life, as the case may be, and that is the end of the chapter. We very seldom see the verdict of the coroner's jury in the papers; consequently, we never know the real cause, which, in a large number of cases, could undoubtedly be traced to one or two causes. We never know whether the responsibility has been placed, neither do we know that the guilty parties are ever punished.

The Interstate Commerce Commission report a total of 55,130 casualties to passengers and employees during the year ending June 30, 1904, consisting of 3,787 killed and 51,343 injured. The loss of life resulting from collisions and derailments alone, to passengers and employees, amounted to 1,018 killed and 10,244 injured; or, in other words, nearly 27 per cent of the total passengers and employees killed and 20 per cent of those injured resulted from accidents from those two causes alone.

This honorable body has up before it for discussion the report of the committee on safety appliances; but with all the precautions taken and the adoption of the automatic couplers, air brakes, and other devices it appears that railroad accidents are still on the increase. To prevent the sacrifice of human life through collisions and derailments alone should have more attention than it does at the present time, as in accidents from these causes the general public are largely the sufferers.

I offer these few suggestions for what they are worth in support of my seconding the report of the committee on safety appliances.

Mr. CHADBOURNE, of Maine. I simply desire to correct what seems to me is a mistake in the matter. In our State the statute provides that we shall investigate every serious accident to a freight or a passenger train.

Mr. STAPLES, of Minnesota. I would like to ask the gentleman from Maine if your experience would not guide you to recommend or to indorse the proposition that that should be a requirement in every State where there is a commission?

Mr. CHADBOURNE, of Maine. I would say, Mr. President, that I believe it should be the duty of every commission to investigate every serious accident to a freight or a passenger train, whether there is a fatality or not.

The motion was carried, and so the report was adopted.

The PRESIDENT. The next order of business is the report of the committee on delays attendant upon enforcement of orders of railway commissions.

Mr. MILLS, of Minnesota. I regret to say that only three members of the committee have been present and only three of us have read this report, so that it is simply the report of three instead of the majority of the committee.

REPORT OF COMMITTEE ON DELAYS IN THE ENFORCEMENT OF COMMISSIONERS' ORDERS.

The subject of delays in the enforcement of the orders of railroad commissions by proceedings in the courts has been under consideration at different annual conventions of railroad commissioners since the year 1888. From the examination of the several reports made by the different committees and adopted by the conventions it appears that there is uniform satisfaction with the final determination of the courts in the cases where orders of the commissions are involved, and there is very little, if any, ground for complaint in delays in the enforcement of orders of State commissions in the State courts. But in the length of time it takes to obtain a decision in the Federal courts, particularly in the Supreme Court of the United States, there is a great deal of dissatisfaction.

In this regard we beg to call the attention of the convention to the report of the committee on this subject to the convention in 1898, where it is shown that a delay of over five years can be accomplished, where a State legislature has attempted to make a rate. The committee says:

"Some idea of the delays which attend cases in the Federal courts, involving rates prescribed for railway companies, may be gathered from the recently decided Nebraska maximum-freight-rate case. It is true that in this particular case the rates were fixed by the legislature, but the identical procedure—a petition to the Federal circuit court for a restraining order—would have been followed if the rates had been prescribed by the State board. The act passed by the State legislature took effect August 1, 1893. On July 29, 1893, application for the temporary injunction was made to the United States circuit court, and after trial that court also granted a permanent restraining order on November 12, 1894. As the case involved a constitutional question, the State took an appeal direct to the Supreme Court, but decision was not rendered by that court until March 7, 1898. Under the speediest process known in ordinary Federal practice—the special proceeding by injunction—it required nearly five years to determine finally whether the schedule of maximum rates fixed by State authority in Nebraska was constitutional, and it was decided that the rates were unreasonably low to the carrier, and therefore confiscatory in 1893.

"That decision, however, had reference to the date when the proceeding was begun in 1893, and it does not by any means follow that a rate which was confiscatory under the conditions of 1893 would be so under those of 1898. The court recognized that fact in its decision and gave the State leave to apply for a dissolution of the injunction. But if the State should so apply, it might not be able to obtain a decision for another five years, and the decision, when made, might mean nothing as of the date when it was made. Since the vital question which can be considered by the Federal courts will be necessarily whether the rates prescribed are confiscatory, it is plain that the decision itself should be made at a time near that to which it must have reference, and this demonstrates anew the urgent necessity for a Federal statute which will give these cases preference on the dockets of United States courts."

Further instances of what seems to your committee to be an unreasonable delay will be shown on the examination of the records of the following cases: In the case of Farwell Farmers' Association *v.* the "Soo" Company, the Minnesota Commission ordered a sidetrack constructed to an elevator. An appeal was taken from this order to the supreme court of the State, where the order was affirmed and the case then removed by the railway company to the United States Supreme Court by writ of error and remained pending there for five years, when the case was dismissed just before it could have been argued, the company conceding the relief of the complaining association.

On the 23d of February, 1899, the Minnesota Railroad and Warehouse Commission made an order against the Minneapolis and St. Louis Railroad Company, reducing their rates on hard coal. This order was affirmed by the district and supreme courts of the State, and on July 3, 1900, a writ of error was taken to the Supreme Court of the United States, and the case decided on June 2, 1902, and thirty days later the case was remanded.

On July 2, 1901, the Minnesota Railroad and Warehouse Commission made an order to require the Minneapolis and St. Louis Railroad Company to build a depot at Emmons. This case was tried in the district court of the State—the order of the commission being there affirmed and subsequently affirmed by the supreme court of the State of Minnesota on August 2, 1902. It went to the Supreme Court of the United States on writ of error September 2, 1902, and the mandate from that court was received April 7, 1904.

What has happened in these cases will happen in all cases that go to the United States Supreme Court on a writ of error.

In the Minneapolis and St. Louis coal-rate case the order of the Commission was affirmed and the rates that they had prescribed were held to be just and reasonable, yet there was a delay of three years. In the meantime the railroad company was collecting the former rate.

In the Emmons case, which only involved the question of the building of a station house, there were nineteen months' delay, which deprived the people of shelter for two rigid Minnesota winters.

It will be observed in this case that the writ of error being taken in September, the case was too late for the October term of the United States Supreme Court for the year 1902, and it had to wait to be placed upon the calendar until the October term of 1903.

In a number of the States there is a statute requiring that causes involving the validity of orders of railroad commissions be placed upon the calendars of the appellate court at any time the record is filed in that court, at the commencement of or at any time during the term, and also providing that the cases be advanced upon the calendar of the court, taking precedence next to criminal cases.

Had there been an act of Congress similar to these State statutes, at least one year might have been saved in the enforcement of the order in the Emmons Depot case. The Interstate Commerce Commission experience similar delays in the enforcement of their orders.

In a case where a rate is found to be unreasonable and a lower rate is ordered by the State commissions, if the order is finally found to be just by the courts, and the old rate is required to be paid from the time the order was made until a final decision of the United States Supreme Court, which will take from two to four years, the company has been receiving something that it was not entitled to and the shipper has been paying more than he should during this long delay. Some States have tried to remedy this by the enactment of statutes which allow the shippers to recover back from the company the excess, but this does not afford any remedy to the consumer, who is the man that really pays the freight. The merchant as a matter of

self-preservation has added the amount of freight paid to the price of his goods, together with his profit, and his customers have paid it.

It would seem, in this day of rapid progress, where the world has been revolutionized with electricity, and where business that used to take months to transact is now done in a day, that there ought to be a more speedy method of enforcing the orders of both the State and Interstate Commissions. The remedies which now exist compared with the ordinary methods of doing business are like the old-fashioned stage coach in comparison with the Pullman palace train.

Orders of the State and Interstate Commissions are of a public nature and affect the interests of the public generally and should be entitled to consideration in advance of private interests, and your committee is of the opinion that this can be accomplished either by an act of Congress similar to the State acts herein referred to, or by a rule of the United States Supreme Court, and submit to the convention for its adoption the following resolution:

Resolved, That this convention respectfully request the Supreme Court of the United States, if it has the power, to adopt a rule by which causes which involve the validity of orders of either the Interstate Commerce Commission or any State railroad commission shall be placed upon the calendar as soon as the record is filed in that court, and at once be advanced and set for argument during the pending term, and if the court finds that it has not jurisdiction to regulate this matter by rule that Congress pass such legislation requiring the advancement of such causes; that this report be printed and a copy furnished the Supreme Court of the United States and each member of Congress and the several State railroad commissions are requested to call the attention of their members in Congress to the same and solicit their support of the measures recommended.

Mr. MILLS, of Minnesota. In addition, gentlemen, I wish simply to say that the committee invites discussion of this question. If their conclusions are not right, we would be very pleased to hear them discussed by any member of the convention, and to that end I move the adoption of the report.

Motion carried.

The PRESIDENT. I desire at this time to announce the appointment of the committees provided for by resolution to-night. The committee on time and place for holding the next convention of this association is as follows: Brown, of Pennsylvania; Rice, of Missouri; Upshur, of Virginia; Smith, of South Dakota, and Paddock, of Illinois.

The committee on resolutions: Kilpatrick, of Illinois; Ham, of the Street Railway Accounting Association, and Duncan, of South Carolina, will constitute that committee.

Mr. CHADBOURNE, of Maine. I do not know but under parliamentary rule it would be necessary for me to ask the unanimous consent of this convention to make a suggestion which is concurred in by myself and several others; that is, the changing of the name of this association.

Now, in the Dominion of Canada they have a railroad commission, and the railroads of Canada touch different parts of the United States, notably Chicago and our State. There are to be large increases in the mileage of the railroads of Canada. If the proposition is carried out,

and it now seems to be almost assured that the Grand Trunk will extend its line to be a transcontinental line, it means a great deal to the State of Maine, although through the Dominion there is a very strong feeling against making Portland the port of entry or the shipping port, yet it seems to be almost inevitable, and I am told by those who ought to know that that feeling is growing less and less every month. And in view of the fact that we are so closely connected with these roads that are running into our State, I believe it would be a great addition to the membership of this association, and its influence and its profit, to change the name of this association from "National" to "International" Association of Railway Commissioners. I merely throw that out as a suggestion, believing it to be the right thing, and that it would mean a great deal to this association.

Mr. KILPATRICK, of Illinois. With reference to that same matter, you will recall that at a meeting of the executive committee, held in Washington, it was suggested that an invitation be sent to the railroad commissioners of the Dominion of Canada. They have just adopted a law over there creating a commission; it used to be that one of the members of the governor-general's cabinet was known as commissioner of railways and telegraph—

A MEMBER. Minister.

Mr. KILPATRICK, of Illinois. Minister of railways and telegraph; but at the last session of the Dominion Parliament they created a railroad commission, and I think that the secretary, Mr. Decker, will remember that when it was created we sent a communication, an invitation, to the newly elected or appointed commissioners of the Dominion to meet at this convention. Under that proposition I took occasion to send to them invitations to accompany the party on the excursion following this convention, and sent them, also, copies of the itinerary. I have some very nice letters from, I think, each one of them acknowledging the receipt of those communications, and saying that on account of the press of business before the commissioners it would be impossible for them to attend, but they would have been glad to do so if it had been convenient. I think Mr. Chadbourne's suggestion is a good one, and I move that article 1 of the constitution be so amended that the title of this organization shall be "The International Association of Railroad Commissioners." I see by the constitution, also, that amendments may be made in two ways: First, by a proposition in writing to be sent to the Interstate Commerce Commission and the various State commissions two months prior to the convention by which it is adopted; and then it may be adopted by a majority vote. In this case, where the proposition is put before the convention at this time, it requires a two-thirds vote of all the members present voting to carry the adoption of any amendment.

The PRESIDENT. You have heard the motion of the gentleman from Maine, seconded by the gentleman from Illinois, as to change in the name of this association. It is now up for discussion.

Mr. STAPLES, of Minnesota. This question may have been discussed by some of the members of this convention, but it is entirely new to me; this is the first time I have heard the subject referred to, and I do not wish to appear to oppose it, but I do think it involves more than we may appreciate at this time, and I am strongly impressed with the idea that we should deliberate upon this question one year. It seems to me that would be a wise course to follow. I do not say that I object to this at all, for it is new—the idea is new. I appreciate what the gentleman from Maine says with reference to the Canada question, and the fact that they have a commission over there organized somewhat after the manner of several commissions of the United States; but whether we want to make them a part of this body legally, so to speak, it seems to me we should deliberate upon that question and put the matter over for one year before deciding it. That is the way I feel about it.

Mr. MORGARIDGE, of Pennsylvania. I would like to inquire if this commission of Canada has ever made any request that it be extended membership in this association. It seems to me that we are presuming a great deal in electing them as members, or at least changing the name of the association for the purpose of taking them in as members until we know that they want to come in.

Mr. DECKER, acting secretary. Perhaps this suggestion may be in point: that is, the mere changing the name of the organization will not accomplish the purpose of making them members of the association, or even honorary members, for the second section describes who shall be members, both active and honorary. The whole subject appeals to me as it does to Mr. Staples. We might lay it over for a year.

The PRESIDENT. Mere changing of the name of this association would not change the membership of the association. If the name is changed, it simply puts it in the power of this association to enlarge its membership by electing railroad commissioners of any foreign country that this association might see fit to elect. It does not occur to me that the mere changing of the name would change the membership at all, it would take further action upon that question, and the suggestion of the gentleman from Minnesota might be met by an invitation, or something of that sort, from this convention to the commissioners of Canada to meet with us a year hence and make them members then. It doesn't strike me that the changing of the name of association to "International" would make the commissioners of Canada members without further vote of the convention.

Mr. STAPLES, of Minnesota. On that point I think there can be no doubt that the object of the gentleman from Maine—he stated it clearly,

and it was his intention, that that should be the object. Isn't that right, Mr. Chadbourne?

Mr. CHADBOURNE, of Maine. That was the object I had.

Mr. STAPLES, of Minnesota. I didn't think there was any doubt of it. It may be very desirable; I am not opposing it, but I do oppose hasty action; and I wish to make this motion to test the mind of the convention upon the question that the subject be referred to the executive committee, with the request that they report upon the matter at the next annual convention.

Mr. CHADBOURNE, of Maine. I see the force of the gentleman's suggestion, and it has been called to my attention by Mr. Brown. May I ask the gentleman to so amend his motion so that the matter may be referred to the executive committee or to a committee appointed by the chairman, to have power to act in the premises, not only in regard to changing the name, but to send an invitation to ascertain whether or not the railroad commissioners of Canada would like to be members, either active or honorary; that the whole matter be referred to that committee, with power to make a report to the next convention.

The PRESIDENT. Does the gentleman from Maine withdraw his motion, then?

Mr. CHADBOURNE. I do.

The PRESIDENT. Then your motion, Mr. Staples, becomes an original motion before the convention.

Mr. STAPLES, of Minnesota. I desire to say that if there is any desire or object in having a special committee I have no objection to that at all. I simply referred to the executive committee, thinking that the appropriate committee.

Mr. CHADBOURNE, of Maine. That is very well.

The PRESIDENT. That would unquestionably be the appropriate committee to refer this matter to.

It is moved and seconded that this matter of changing the name of the association be referred to the executive committee of this association, to be reported upon at the next meeting of the association.

The motion was carried.

Mr. DECKER, acting secretary. I move that we adjourn until to-morrow morning at 9.30.

Mr. ADAMS, of the Interstate Commerce Commission. Just a word before adjournment. The secretary called to my attention the fact that possibly the incoming president might care to appoint as the committee to act as a board of review and advisement on the valuation of railway property the committee that is to report to the next convention upon railway valuation, and that the constitution requires that that committee be composed of seven members. My resolution asked for—the resolution passed—asked for five members. If it be proper, in order to give the incoming president the liberty to put this duty in

the hands of the standing committee on valuation, I would ask the privilege of changing the number from five, as recited in my resolution, to seven.

The PRESIDENT. Your motion, then, is that the committee on valuation of railroad property be composed hereafter of—how many members?

Mr. ADAMS. My suggestion is that the resolution passed here this morning appointing a committee of five, be changed so as to read to appoint a committee of seven. Then it gives the incoming president the liberty of assigning that duty to this committee, should he see fit.

The PRESIDENT. In the absence of objection, such will be the order of the convention. The Chair hears none, and the secretary is authorized to make the change.

The motion to adjourn was carried.

At 10.10 p. m. the convention adjourned until 9.30 Thursday morning, November 17, 1904.

THIRD DAY'S PROCEEDINGS.

THURSDAY, *November 17, 1904.*

The convention met pursuant to adjournment.

The PRESIDENT. The convention will please come to order.

The first order of business this morning is the report of the committee on rates and rate making. Mr. Upshur, of Virginia, will read that report for the committee. Please pay attention to the reading of the report on rates and rate making.

Here Vice-President Mills, of Minnesota, was called to the chair.

Mr. UPSHUR, of Virginia. Mr. President and gentlemen of the convention: As chairman of the committee on rates and rate making the Hon. Beverley T. Crump, of the State corporation commission of Virginia, has prepared a paper which he had thought to read before this convention, but an important hearing before the commission of which he is the chairman has prevented his attendance at this session, and I have been requested to read the paper and submit it to your approval.

REPORT OF THE COMMITTEE ON RATES AND RATE MAKING.

The committee on rates and rate making, appointed by the president of the association for the current year, have the honor to submit the following report:

To those interested in transportation matters, and nearly every reflecting as well as business person in the country is, nothing is more striking than the universal advance in freight rates which has taken place gradually during the past two or three years. Various causes are assigned for this upward tendency in the cost of freight service, but it may be difficult to designate any single fact, or set of facts, as the real reason for the advances which have been made. The results of these advances appear in the increased net earnings of the railroads of the country and the

consequent greater value of their unstable securities. This advance in the rates of transportation was not expected by the shipping public, and there was in the course of events, so far as the general public could judge, no reason why these rates should have been advanced. We do not mean to say that because justification for the advance of rates did not appear upon the surface there was no reason for some advance.

Those in control of the great railway systems of the country, among whom are some of the foremost and most experienced citizens of our land, may have been of opinion from their greater source of information and from their experience that there should have been an advance in rates, but the railway managers and officials had led the public to expect that the roads in this country could be operated for many years without the necessity for advancing the rates of transportation. It is pointed out in the last report of the Interstate Commerce Commission that, a few years ago, when by combinations, connection arrangements, and interchanging ownership of stock, the great trunk-line systems of the country were in course of formation, the prominent railroad owners and managers, who were then bringing about a consummation of their purposes, gave it as their opinion that the cost of operation would be greatly reduced, and the purpose was to lower rates and to prevent an advance. As the Interstate Commerce Commission in its report truly says, "Recent history belies this prediction."

This general advance in freight rates over the great trunk lines of the country has of necessity brought about a gradual advance in the local rates, which came more directly under the observation, supervision, and authority of the members of this association. And it has doubtless been the experiences of the members of this association that the local freight rates have been advanced in various ways. In those States in which under authority of the commissions or by direct statute maximum rates on various commodities have been prescribed, the advances within the prescribed limits are not easily brought to the attention of the commissions without direct complaint, unless the changes in tariffs are required to be filed with the commissions in such a way as to attract attention. In the States in which the commissions have no authority to enforce the observance of rates prescribed by them, there is no way of changing the advanced rate until a court has passed upon the question of whether or not a lower rate is just and reasonable.

We think it may be said that the general experience is that it is exceedingly difficult for an ordinary court to handle questions of this character. In the States in which the railroads are permitted to make their own rates under a classification subject to governmental supervision in a general way an advance in rates is easily effected. Many advances have been brought about by changing a commodity from a lower to a higher class, thus necessarily producing an increase in the transportation charge. Some advances have been brought about by placing upon the classification list articles which theretofore had been under commodity rates.

In these and other ways the freight rates, both interstate and local, have been advanced, as the rate sheets of all the States and of the Interstate Commerce Commission plainly show.

It is well that the attention of the members of this association should also be called to a character of rate which is assuming importance in the business of transportation and under which alterations in the local rates may be effected. We allude to the rate commonly known as the "milling-in-transit" rate. As the term implies, this rate arose from the privilege accorded by the railroads to the grain and milling interest of stopping the grain in the course of transportation at a milling point and allowing further transportation of the milled product under a through rate from the original point of shipment of the grain to the ultimate destination of the milled product, with a charge for the privilege of milling in transit. Originally this char-

acter of rate arose out of the shipment of grain from the grain fields of the West to Chicago or points farther east with stop-over privileges for milling at Minneapolis or some other convenient milling point, and these rates were necessarily interstate rates.

The fundamental idea upon which the milling-in-transit rate was based has, however, in recent years been extended to other commodities besides grain. For example, the carrying of cotton beyond a compress point on a through rate, with the privilege of stopping over at the compress point for the purpose of being there handled. Again this rate has been applied to the dressing of rough lumber, and in Virginia it has been applied by the railroads to the cleaning of peanuts. In cases in which a bill of lading is issued from the point of shipment of the crude material to the destination of the product with a stop-over or milling privilege for a certain period the contrast of shipment is definite and clear, a charge being added to the regular rate for the stop-over or milling privilege. But the theory upon which this character of rate is based has been so extended under the rulings of the Interstate Commerce Commission as to embrace a movement of freight intended for interstate shipment, although carried forward on a local bill of lading to the milling point.

It seems to be established that the product can be carried forward on a local bill of lading to the milling point, unloaded, milled, and even sold at that point to other parties, then reconsigned and carried on to the market of the product. And such a movement would be considered interstate freight. The test of the interstate movement necessarily must be that the goods shipped should start and proceed upon a contract for through shipment. An indispensable element in every through shipment is certainly the contract for that through service, and that contract should be evidenced by an agreement between the two parties at the inception of the carriage that the freight should be transported to the ultimate point of destination at the through rate.

While this is recognized as a general principle, it is frequently difficult of application in large movements of freight, and the modern theory would rather seem to be that a general movement of product intended in the necessary and usual course of the market for shipment to another State would be shipped under a through rate to that other State by each individual shipper of such product, although billed locally to a point in the same State for milling purposes, there milled, and reconsigned to the market. Under those circumstances, it is easy to conceive that the local rates may be evaded and unjust discriminations be made. The members of this association interested in this milling-in-transit rate will find the principle relating to it discussed by the Interstate Commerce Commission in *Diamond Mills v. Boston and Maine Railroad Company*, 9th Interstate Commerce Reports, page 311; *Listman Mill Company v. Chicago, Milwaukee and St. Paul Railway Company*, 8th Interstate Commerce Reports, page 47; and especially as to cotton in 8th Interstate Commerce Reports, page 121.

The subject which your committee desires to bring before this association this year in this report does not call for a discussion of the reasons for the recent advance in freight rates or the results of such advances or their justification. But the committee wishes to call the attention of the association to a more perfect method, by which advances in freight rates by railroads from time to time can be brought to the attention of the State commissions, be made the subject of investigation and careful scrutiny by these commissions, and be under the final authority of the commissions, so that the advances shall not become effective in any State until the commission of that State has given its consent thereto. In what manner can authority be best conferred upon the State commissions in order that these objects may be effected?

Take the following instance: A railroad company has on file its tariff sheets with the commission of a State, and it desires, for reasons which it deems necessary for the proper operation of its road and fair to the public, to make an advance on undressed lumber between two local points in that State. If the advance is permitted to be

made as of right, and the new rate only required to be filed with the Commission and an investigation had upon the complaint of a dealer in lumber after the rate has been advanced and a new rate sheet filed with the Commission, it is plain that the railroad company has a great advantage over the shipping public by enjoying the fruits of the advanced rate until it can be ascertained by the investigation before the Commission whether the advanced rate is just and reasonable.

If it should be adjudged to be unjust and unreasonable, the railroad has, in the meantime, been taxing the shipping public, dealing in that article, with an unfair proportion of contribution toward the support of the railroad. And, as is oftentimes the case in some of the States, months and years may elapse before the rate is finally adjusted. The committee is not sufficiently acquainted with the powers vested in the railroad commissions in the several States to undertake to point out in what manner the several commissions would be authorized, under the statutes of the various States, to deal with such a situation. The committee believes, however, that ample authority could be conferred upon the commissions in the various States by the following requirements:

First. The statutes of the State should require that all tariffs fixing both freight and passenger rates should be filed with the Commission and also all advances or changes or alterations of any character in any freight or passenger rate should be brought to the attention of the Commission by filing the exception sheet or other paper or regulation or order of the railroad company by which any such advance, change, or alteration is to be effected. In other words, the entire schedule of passenger and freight rates in effect on every road in the State at any particular time should be in the office of each Commission. This is doubtless the case with all the commissions in the various States now, either by direct force of the statutes of the State, or by virtue of the experience and regulations of the commissions in the State in which railroad commissions were provided for many years ago.

Second. It should be plainly and stringently provided in the statutes of the State that before any advance in a freight rate or a passenger rate should become effective, or be in any way put in force, effect, or operation on any railroad in the State, such advance should have the consent and approval of the Commission. And it should be required that any railroad desiring to make an advance in any freight or passenger rate should submit in writing the proposed advance, with the reasons for it, to the commission, so that the commission might in any way and to any extent desired by it investigate and either approve or disapprove the proposed advance. If the law clearly provided that the advance should not take place until the approval of the commission was had, the shipping public would necessarily be completely protected, and the responsibility for and control over the advance in rates would rest with the authority where they properly belong—the railroad commission of the State.

Under such statutory requirements, a railroad commission with an experienced and expert tariff man in its office to examine and pass upon, from a technical standpoint, all such advances whenever applied for, could completely and easily control the traffic conditions in the State. We know that the railroad commissioners in the States which are entitled to membership in this association are men of experience and of eminence in their respective States, and that they have the confidence both of the railroads and the shipping public, and to them can be properly left the ultimate decision of what is just and reasonable. Their judgment in the discharge of their sworn duties, it goes without saying, would be founded upon a desire to do right and justice as much by the railroads as by the shipping public.

Third. If a transportation company should advance one of its rates in spite of the statutory requirements just suggested, a further remedy would be needed. In such a case, the only defective remedy would be to vest in the commission primary and complete authority to enforce compliance with the statute requiring its approval before the advance in rates should take effect. This can be done by injunction. It

would not meet the situation for an ordinary court to be vested with authority to enjoin a railroad from advancing rates until the consent of the commission had been obtained. The members of the commission, being conversant with transportation matters in the State, can deal with all phases of the situation better than any other authorities in the State governments. It is the opinion of the committee, therefore, that in such matters judicial powers should be conferred upon the commission to enjoin a company advancing its rates without first having obtained permission, as required by law, from continuing such rates in force until the commission has acted upon them, and the commission should have the same power to enforce obedience to its injunction as that possessed by any court in the State, with a right to impose the same penalties for violation of its injunction as may be imposed by a court of equity.

In order that this power of injunction should be constitutionally conferred upon a commission, it would be necessary for the commission to be made in all respects a court as to rates. Most of the State commissions, as now constituted, are administrative bodies, with the legislative power of prescribing or fixing rates. Prescribing rates is essentially a legislative function in the exercise of a police power. It is now thoroughly established that the courts may decide whether or not a rate so fixed by legislative authority is just and reasonable. Ordinarily a rate being prescribed within fixed limits by a direct statute, or being fixed in terms by the order of the State commission, its justness and reasonableness must be determined before a court unaccustomed to dealing with such matters, and the question reaches a decision after a long litigation.

Why should not the State commission be constituted a court to consider and decide all questions involving the justness and reasonableness of rates, with jurisdiction to hear and fully determine all such questions, so that its orders thereon should have the full force and effect of the judgment of a court of record? In such cases the commission, of course, should be invested with the power to issue notices and all ordinary processes for summoning parties and witnesses which are possessed by the ordinary courts of record. There would seem to be no objection to conferring upon the State commission the legislative power of prescribing and fixing rates, and also to constitute the commission a court to pass upon the reasonableness of rates in all controversies in which that question may be raised.

A commission with such powers could clearly exercise the right, conferred by statute upon it, of enjoining a railroad company from advancing its rates until the question could be considered and passed upon by it; such an injunction would be merely ancillary to the general jurisdiction exercised by the commission as a court of record. We believe that a State railroad commission could be made a court of record, with a clerk and all the powers of any other court of record, without violating any of the provisions of the Constitution of the United States. But if it be impracticable under the constitutions of some of the States to convert a State railroad commission into a court, your committee thinks that stringent laws should be passed imposing penalties not only upon the railroads as corporations, but upon their officers who should be concerned in making the advance in rates without the consent of the commission, and also upon all of the officers or agents of the company who should undertake to put any rate into effect under such circumstances. A strict law of this character, rendering all the individuals connected with the violation of the law criminally liable, would probably prove effective.

Without prolonging this report, your committee recommends to the association that it would be wise for the States represented in this association to confer the foregoing powers upon the railroad commissions.

Mr. BROWN, of Pennsylvania. Mr. Chairman, I understand that this report was prepared by a member of the committee, the chairman of the committee, and that the committee has not been in session

upon the report. I move that the thanks of this convention be extended to the gentleman from Virginia who prepared this report and had it sent to this convention and read, and that it be received and printed in the reports of this convention.

The motion was carried.

Mr. SMITH, of Alabama. I desire to offer a resolution which I think will probably meet the approval of the association, growing out of my own experience in attending upon the sessions of this association:

Resolved, That the committee on classification of operating and construction expenses of steam railways be, and the same is hereby, abolished by this association, and in lieu thereof a committee be appointed upon the subject of powers and duties of railway commissions of the several States and the work of said commissions during each current year, said committee to be composed of seven members.

My purpose in offering this resolution is because the committee on the classification of operating and construction expenses is obsolete. The work of that committee was completed some years ago, and it is wholly unnecessary to continue that committee in force and effect.

Now, if the association will pardon the suggestion, I confess to a great deal of gratification personally at the intense interest manifested, but it occurs to me that we devote more time to national matters than we do to State matters, and that a discussion of the powers and duties of the railway commissioners of the several States and the report each year upon the new laws passed by the several States and the work done by the railway commissioners of the several States would be very instructive and interesting to this association. It would not give such undue prominence then to the discussion of affairs over which we as railroad commissioners have no jurisdiction—that is to say, interstate commerce—and for that reason, Mr. Chairman, it strikes me that a committee of this character would be very appropriate, and that it take the place of the committee which is obsolete, would add interest to the meetings of the association. For that reason I offer this resolution.

The ACTING PRESIDENT. You have heard the resolution of the gentleman from Alabama.

Mr. DECKER, acting secretary. I desire to second the resolution, as it seems to me to be entirely appropriate. We formerly had a committee of this kind, entitled "Powers, duties, and work of State commissions," and I think anyone who is familiar with the proceedings of the convention at the time that committee was in operation will say that the report of the committee and the discussion elicited upon those reports were among the most interesting parts of the proceedings. By some hardly well-digested motion that committee was dispensed with at one time, and the loss of it has been felt by numerous members

ever since; their opinions to that effect have been expressed. I, for one, hope that the committee will be reestablished.

The motion was carried.

(President Smith resumed the chair.)

The PRESIDENT. I believe the report of the committee on time and place for holding the next annual convention of this association is the next in order, and then the report of the committee on resolutions, if it is ready to report. Is the committee on time and place for holding the next convention ready to report?

TIME AND PLACE OF HOLDING NEXT CONVENTION.

Mr. BROWN, of Pennsylvania. Mr. Chairman, the committee had a session last evening immediately after the adjournment of this body, at which all the members were present. A communication was received from the Commercial Club of the city of Duluth, delivered to the committee through the hands of Judge Mills, of Minnesota, extending an invitation to meet in the city of Duluth in 1905 for the purpose of holding the annual convention. The committee was of the opinion at the session last night that the next meeting should be held in the city of Portland, Oreg. It is well known that in Portland, Oreg., is to be held the celebration of the one hundredth anniversary of the trip of Lewis and Clark across the Rockies and the Bitter Root Mountains on their way to the Pacific—a very interesting feature in the history of the western country, and now, of course, a matter of great interest to our whole country. It seemed entirely in place for the convention to meet in the city of Portland, and the committee was practically unanimous upon that subject last night; but a conference was held here this morning, and an invitation was received from Mr. Smith, of South Dakota, to meet at Deadwood. Mr. Smith says the hotel accommodations are ample and good, and he gives a glowing picture of the wonderful wealth in gold of the Black Hill regions; and when it is remembered that Mr. Smith on two or three other occasions extended an invitation for this convention to meet there, the committee this morning desired to modify its recommendations so far as concerned the exact place of meeting for holding the convention, and to recommend that the convention hold its session at Deadwood, but at the same time make its trip to Portland in such ways and means as may be provided by the executive committee, and they recommend that the meeting be held on the 16th day of August.

It is somewhat difficult to arrange a time of meeting when it will be satisfactory to all, but most of the business men have their vacation in the summer, and it seems to me that this in some light might be considered as a vacation. In the early fall men are back to their desks in business, and it is difficult for men to get away, especially men who

are concerned in such lines of business as are the members of the railroad commissions and the Interstate Commerce Commission; and the committee was of the opinion that the 16th day of August, perhaps, was as free from objection, so far as the possibility of members attending the convention is concerned, as any date that could be fixed, and therefore they respectfully recommended for the consideration of this convention Deadwood as the place of meeting and the 16th of August as the time of meeting.

Mr. SMITH, of South Dakota. I think you will find that will be a very good month to meet in the Hills. The weather is cool, and it is a pleasant month in which to make the trip.

In regard to the place: Deadwood and Lead are situated somewhat similar to St. Paul and Minneapolis. They are joined by interurban railroads, and my idea in presenting the Black Hills was to have them meet one session in Deadwood and one in Lead, as there is a great deal of rivalry between the two towns, and then take a day off at Hot Springs, where we have two baths, either one of which will accommodate the whole crowd, and the hotel accommodations are ample. The National Government at this time is building a sanitarium there for the old soldiers, spending half a million of dollars on it, showing that they take quite an interest in the medicinal properties of the waters at Hot Springs. I am sure that if the members of the association come to Hot Springs, or to the Black Hills, they will find the geographical conditions in the Hills different from any portion of any State they have ever visited. We have the largest gold mine in the world there—the Homestake gold mine. We have a little spot in the Black Hills, probably 40 miles square, that produces about ten or eleven million dollars a year; and we have gold mines that mine gold in various ways—some by the cyanide process, some by the smelter process, and others by the free milling process. I am satisfied that if you decide to visit our section of the country on the way to your convention it will be a pleasant resting place, and I know the people of the Hills will be glad to have you among them, and will extend a royal and hearty welcome. [Applause.]

Mr. STAPLES, of Minnesota. I want to ask the committee if there is any objection to making the date eight or ten days earlier in the month. I suggest that for this reason, and I think that others are situated as I find myself: I would have been more than pleased to have my daughter accompany me on this trip. I appreciate that this is a season of the year for holding a convention in this section of the country, but holding the convention on the 16th of August and continuing the trip for some time after interferes in many States with the date of the opening of our schools, and it seems to me that it would be better for some if you could favorably consider the question of setting the date a little earlier in the month.

Mr. BROWN, of Pennsylvania. That question was considered by the committee, and if the plan is carried out which is contemplated by the committee, the most of the excursion, if we should have one, will be over when the convention is held at Deadwood, and you will be homeward bound at that time.

Mr. STAPLES, of Minnesota. I withdraw my remarks.

The PRESIDENT. You have heard the report of the committee on the time and place for holding the next meeting. It is now open for discussion or adoption.

The motion was carried.

The PRESIDENT. Is the committee on resolutions ready to report this morning?

Mr. KILPATRICK, of Illinois. Mr. President, the committee on resolutions has not had a meeting and is not ready to report. I have been suffering from a severe cold ever since we left St. Louis, and I tried to get to bed early last night in order to get a little rest, and that was one reason; another reason was that we could only at this time make a partial report, and I ask the convention to allow this committee to frame a reply in full and have it printed in the proceedings. I make that as a motion.

The motion was carried.

ELECTION OF OFFICERS.

The PRESIDENT. I now declare nominations for president of this association in order.

Mr. KILPATRICK, of Illinois. I do not know of any more important or honorable position to be conferred upon a railroad commissioner than that of president of the National Association of Railway Commissioners, and I desire to place in nomination the name of a gentleman who I think will bring honor to the association and do all that he possibly can for its advancement both during the year and at the next convention. The qualifications of that gentleman need not be described. He is at present chairman of one of the strong commissions in the United States, so gauged by the Interstate Commerce Commission—one of the pioneer commissions of the United States of America, representing a State that has the largest main-line mileage of any State in the Union; a man thoroughly competent to administer the affairs of this association. I present for the consideration of this convention the name of Hon. James S. Neville, chairman of the railroad commission of the State of Illinois. [Applause.]

Mr. CHADBOURNE, of Maine. Early in this assembly I was approached by several gentlemen and asked if I would present the name of a gentleman thoroughly qualified; and I have thought that I can not think of an organization where a larger per cent of its membership are

qualified to act as its president as this one. All that has been said of our friend from Illinois I heartily concur in. No man on the floor of this house has a higher respect for that gentleman than I have. There is another gentleman who, for a long term of years, has been a member of this organization (and his qualifications are undoubted); he is one of the vice-presidents of this organization. If we carry out the principles of railroads throughout the country, he is certainly in line of promotion; and no one will doubt for a moment but what he is well qualified and would carry the great honors which attend the presidency of this association with dignity, with profit, and with pleasure. I would not nominate him as opposed to anyone. We are an organization small in number, but well united in all our efforts, and with a bond of friendship as strong as that existing in any organization. There is no such thing as opposition. As I said before, no member of this organization has higher respect for the gentleman who has been placed in nomination than I have. I agree with the gentleman who presented his name that he would preside with grace and dignity over the deliberations of this association. The gentleman whom I will name would also preside with like grace and with like dignity. Nor would he enter into a contest, but being the vice-president and being in line of promotion I beg leave to present the name of Judge Mills, of Minnesota. [Applause.]

Mr. UPSHUR, of Virginia. I wish to second Mr. Chadbourne's nomination. I do so for the reason that before leaving Richmond our chairman instructed me that in case Judge Mills should be placed in nomination I should support him. There are also reasons that have come up since this convention has been in session here. The next meeting of this convention is to be held in Deadwood. The convention also had an invitation from Duluth, in Minnesota, but it has been decided that the convention be held in Deadwood, and I think Judge Mills's selection would be a compliment to the State of Minnesota. I do not think that the association could have—and in that I express and support the opinion of my chairman—a stronger man or a harder working man than Judge Mills.

The PRESIDENT. The constitution of the association provides that the president of the association shall be elected by ballot. I was asked a while ago as to whether a vote by proxy could be cast. My opinion is that a vote by proxy could not properly be cast. Such would be my ruling unless the association decides to the contrary. It becomes necessary, I believe, to appoint tellers to take up the vote. It has been suggested by the secretary that each member write his ballot on a piece of paper and come to the secretary's desk and deposit it in a receptacle which will be provided, and that usual course will be followed. The secretary and his assistant, Mr. Connolly, will act as tellers.

Mr. STAPLES, of Minnesota. Please state just who are entitled to vote.

Mr. DECKER, acting secretary.

Active members shall be entitled to one vote each, if present, upon all questions coming before the association. Honorary members shall have the privileges of the floor and the right of debate, but shall not be entitled to vote.

Active members shall embrace only the Interstate Commerce Commissioners; the railway commissioners or deputy commissioners of the several States and Territories of the Union, and in those States and Territories having no railway commissions, State officers who by law exercise active supervisory powers over the affairs of railways; also the secretary and assistant secretary of the Interstate Commerce Commission, and the secretary or clerk of each State railway commission where such office is created by law.

The PRESIDENT. Mr. Secretary, you will cast up the ballot and ascertain the result.

Mr. DECKER, acting secretary. Mr. President, the whole number of votes cast was 23, of which Judge Mills, of Minnesota, received 13, and Judge Neville, of Illinois, 10. [Applause.]

Mr. NEVILLE, of Illinois. I move that the rules be suspended and the secretary be authorized to cast the vote of the entire association for Judge Mills as president.

The motion was carried.

Mr. DECKER, acting secretary. By your direction, Mr. President, I have cast the vote of the convention for Judge Mills for president for the ensuing year.

The PRESIDENT. I therefore declare him duly and constitutionally elected president of this association for the next ensuing year. [Applause.]

Mr. CHADBOURNE, of Maine. Mr. President, I move that the rules be suspended, and that the secretary be directed to cast the vote of this association for Mr. Neville, of Illinois, for first vice-president of this association. [Applause.]

The motion was carried.

Mr. DECKER, acting secretary. By direction of the convention, I have cast the vote of the convention for Judge Neville, of Illinois, for first vice-president.

The PRESIDENT. I intended, before proceeding that far, to surrender the chair to the incoming president. Before doing so, however, I desire to make a few remarks personal to myself and to this association.

In parting with you officially I wish to express my sincere appreciation of the loyal support accorded me in my earnest efforts to make this meeting a success in every sense. To say that I part from you with regret is but to speak the simple truth; but it is not amiss for me to say that if it were given me to go over my official life as president of

the Alabama railroad commission, my course would be the same. I have no regrets thereat nor apologies therefor. The people of my State desired a change of policy in the administration of the railroad commission law; demands were made upon me which I could not, from my standpoint, conscientiously perform. I saw the storm arise, heard its low mutterings of thunder, saw the vivid lightnings flash; but duty as I saw it commanded me to bare my breast to the storm and go down in defeat, the victim of my own conscientious convictions, which stood in the path of the people's desires. I have no cause of complaint, for having deliberately taken a stand in opposition to the wishes of the majority of the people, nothing was left to me but to become a vicarious sacrifice upon the altar constructed by me in the discharge of my duty in a manner which I conscientiously believed to be right. Without a murmur, with nothing but love in my heart for the people whom I have served for the past four years, and with an earnest desire always for their future welfare, I shall, on the 1st of next March, lay down the duties of official life, and assume for the first time in twelve years the duties of an humble and private citizen of my beloved State. Whether right or wrong, I retire with the approval of my own conscience, which is worth more to me than the plaudits of the populace.

You have been kind to me, far beyond my just deserts; you have promoted me to a position of national importance, and imposed upon me duties which I felt beyond my ability to perform; but it is a comfort to me to assure you that I have tried to compensate for this in loyalty to your cause and zeal for your welfare. I shall in the future endeavor to attend your meetings and contribute in every possible manner to your success. I bid you godspeed in your work, and invoking the blessings of Him who rules the destiny of all men and of all nations upon your future efforts, I now take great pleasure in surrendering the chair to my very able and competent successor, upon whom will rest the future responsibility and the duties of this position. [Loud and prolonged applause.]

Mr. Smith retires and Mr. Mills takes the chair.

The PRESIDENT. Gentlemen of the convention, no one appreciates more than I do the responsibilities of the position to which you have elected me; the difficulty in performing the duties which are imposed upon me is rendered still more exacting by the able manner in which they have been performed by Mr. Smith, who presided over this convention, and I feel, when my duties are done, that compared with his work the comparison will not be favorable to me. But I assure you, gentlemen, that I will do all that is in my power to make the next convention a success, and I will commence at the end of this convention and work from now until the next convention is held in Deadwood.

I thank you, gentlemen, for the honor which you have conferred upon me. [Applause.]

What is the further pleasure of the convention?

Mr. CHADBOURNE, of Maine. Before the election of the second vice-president I beg to say a few words; but before I proceed further I am reminded of the picture I saw once of a parrot who was standing on his perch without feathers, and sitting at the foot of that perch was a bulldog, and the parrot had been saying to the bulldog, "Sic him, sic him," and the bulldog had retaliated by pulling the feathers out of the parrot, and the parrot was saying, "I know what is the matter with me, I talk too darned much." [Laughter.]

I am in the position of that parrot. [Laughter.] My only excuse for not profiting by the lesson of that picture is the fact that my heart is full of gratitude to the gentleman who has just left his chair. The lightning has flashed about him, but there is not a hair scorched. I believe as he lays down the duties of the public, he takes up the higher duty of a private citizen, and that his career is only just commenced, and I believe that he goes to his people with the indorsement of every member of this association that he is a man, a man of all men the grandest, he who has the courage of his convictions. [Great applause.]

I feel myself that I am under great obligations to him; obligations to him for his friendship, for his kindness, for his loyalty when I had the honor, in my weak way, of presiding over the deliberations of this association. More than that, in all my contact with him I have found that he was kind, that he was gentle, and that the elements were so mingled in him that any one might stand up and say to all the world, "This is a man." What greater tribute can be paid to his ability? What more heartfelt recommendation can we give him? What greater assurance can we give to him of our friendship and our love for him, speaking not sickly sentimentality, but as one of the emotions that in every good man's heart controls his action? He goes out from among us; but I voice the sentiments of this whole association when I say that he is a member as long as life shall last. He will always be welcome, I firmly believe, in all the deliberations of this assembly. He will always have a place not only on the floor of these conventions, but in the heart of its members.

It would be idle, and it would only very slimly express the feeling of this convention were I to move a vote of thanks to him. The vote of thanks lies in the heart of every one. No record, were it graven on stone, could be deeper cut or more lasting than the record which we have, each and every one, in our hearts of love and our loyalty for Mr. Smith. And hence I refrain from moving a vote of thanks; but I would like it the best thing in the world if every gentleman member of this association and guest of it should by some token give expression of their concurrence in the few weak words that my tongue has feebly spoken. And I ask, Mr. President, that as many as feel in

the bottom of their hearts the love and affection and kindly feeling that one brother man feels for another that they at this moment arise.

Every one arose. [Great applause.]

Mr. SMITH, of Alabama. I appreciate more than I have the language to express the kind words that have just fallen from the lips of my distinguished friend from the State of Maine. I thank the association for this vote of appreciation of my humble efforts during the four years that I have been associated with this body. Enshrined in my heart will always remain tender and sweet recollection of the different meetings of this association and the excursions which I have taken with this party. It will always be a bright spot, an oasis, to which I may look and dwell with fond and loving recollection.

I thank you, gentlemen of this convention, from the depth of my heart, and assure you that so far as it lies in my power I shall do my utmost as an honorary member for your future success and welfare. [Applause.]

The PRESIDENT. The election of the second vice-president is now in order.

Mr. MORGARIDGE, of Pennsylvania. It seems to me right and proper that since this convention has voted to hold its next meeting in the Black Hills, of South Dakota, some member from that State should be nominated and elected to the office of vice-president; and I take pleasure in nominating for that office Doctor Smith, of South Dakota. I move, Mr. President, that the rules be suspended, and that the secretary be directed to cast the ballot for Doctor Smith for second vice-president.

The motion was carried.

Mr. DECKER, acting secretary. By direction of the convention I have cast the vote of the convention for Dr. W. G. Smith, of South Dakota, for second vice-president.

The PRESIDENT. I declare Dr. Smith duly elected second vice-president for the ensuing year.

Mr. BROWN, of Pennsylvania. On account of conditions which could not be controlled by the secretary, Mr. Moseley, who is also Secretary of the Interstate Commerce Commission, he was not able to be present at this convention, but he is a man who has taken very great interest in all that pertains to transportation problems, both State and National, and I think it is entirely proper that he be reelected to the position of secretary of this association. I therefore nominate Mr. Edward A. Moseley, Secretary of the Interstate Commerce Commission, as secretary of this association; and I move that the rules be suspended and that the secretary be authorized to cast the vote of this convention for Mr. Moseley as secretary.

Motion carried.

Mr. DECKER, acting secretary. By direction of the convention I have cast the vote of the convention for Edward A. Moseley as secretary of the convention for the ensuing year.

The PRESIDENT. I declare Mr. Moseley elected secretary for the next year.

Mr. PADDOCK, of Illinois. Is the nomination for assistant secretary now in order?

The PRESIDENT. Yes, sir.

Mr. PADDOCK, of Illinois. I move that the rules be suspended and that the president of this association cast the ballot for Mr. Decker as assistant secretary for the ensuing year.

Motion carried.

The PRESIDENT. The ballot has been cast for Mr. Decker for assistant secretary and he is declared elected.

Mr. DECKER. I desire to thank the convention for the continuance of this honor.

Mr. BROWN, of Pennsylvania. There is one man that has been connected with this association, or rather with this convention, that deserves the kindest thought and the kindest consideration of every member thereof. He met us when we were sojourners up in the city of St. Louis. He was a Good Samaritan to us; he was a good parent to us; he tried to keep us from evil ways; he has been a guardian angel over us all the time from our sojourn at St. Louis down through this beautiful Southland and while we were here in the city of Birmingham. He is the secretary of the Alabama commission [applause] and his name is Griffin. He is a jolly good fellow. He has done everything in his power to make it pleasant here in this magnificent city of Birmingham and in this old State of Alabama, and I move that the thanks of this convention be extended to Mr. Griffin, the secretary of the Alabama commission. [Applause.]

Motion carried.

Mr. GRIFFIN, of Alabama. I am like Mr. Chadbourne's parrot, and I fear that I will talk too much, so will say nothing. But I want to say that if any member of this association has not obtained every favor I could grant him or get for him, he did not get what he was justly entitled to. [Applause.]

Mr. DECKER, acting secretary. It seems to me that there should be another vote of thanks to a member of this convention who has watched over every detail of our movements for, I think, the last five or six years, given us comfort when he could, given us quarters when he had them, provided entertainment for us in every possible way, and is now doing the good work of continuing it to the best of his ability. I therefore move that a rising vote of thanks be extended by this convention to Mr. William Kilpatrick, of Illinois. [Applause.]

The motion was carried. Rising vote of thanks given.

Mr. KILPATRICK, of Illinois. Mr. President and gentlemen of the convention: I do not think that it is at all necessary to pass a resolution of this kind. I am only too glad to contribute to the pleasure and entertainment of the members of this convention and their ladies, as Brother Decker has said. I consider it a pleasure, and I am only sorry that sometimes I am not able to carry out all that I have in mind.

I desire to thank you for this kindly expression of your appreciation of my humble services.

If there is nothing else before the convention I move that we now adjourn.

The motion was agreed to, and at 11 o'clock a. m. the convention adjourned sine die.

REPORT OF COMMITTEE ON THANKS.

The committee on thanks subsequently filed the following report:

Your committee to whom was assigned the pleasant duty of drafting suitable resolutions of thanks to all who have been instrumental in contributing to the convenience, comfort, and pleasure of the members of this convention, beg leave to report that, first of all, we are under obligation to the Hon. John V. Smith, president of our association, for his untiring energy in all of the work connected with arrangements for our meeting and faithful discharge of the various duties devolving upon him during the past year; and to the Hon. Virgil C. Griffin, secretary of the railroad commission of Alabama, for many courtesies received at his hands.

We find it very difficult to select by name all the gentlemen to whom we are indebted for the many courtesies and kindly and watchful care which have made it possible for this association to meet under such pleasant conditions in the city of Birmingham, Ala., where his honor the mayor, its press, and its citizens have extended to us such a hearty welcome; and, at the close of our labors, to journey onward for an extended trip of nearly 6,000 miles to the City of Mexico and return without an unpleasant incident to mar its harmony, the recipients on every hand of a courteous hospitality.

We would fail in our duty, however, if we did not mention those named below as among those to whom we are especially indebted for courtesies received:

Mr. Walker D. Hines, formerly vice-president Louisville and Nashville Railroad.

Mr. Milton H. Smith, president Louisville and Nashville Railroad.

Hon. W. M. Drennen, mayor, and members of the city council of Birmingham, Ala. The Birmingham Railway Light and Power Company.

Montgomery Street Railway Company and citizens of Montgomery, Ala.

The chamber of commerce and Mr. W. O. Jones, its secretary, Pensacola, Fla.

Mr. E. L. Russell, vice-president and general counsel Mobile and Ohio Railroad Company, and the citizens of Mobile, Ala.

New Orleans Progressive Union and Mr. H. M. Mays, its secretary.

Mr. W. M. Barrow, secretary railroad commission of Louisiana.

Mr. Julius Kruttschnitt, vice-president in charge of maintenance and operation, Southern Pacific Railway.

Mr. Leroy Trice, vice-president and general manager International and Great Northern Railroad.

Mr. E. N. Brown, president National Railroad of Mexico.

- Mr. W. W. Wheatly, general manager Ferrocarrilo del Distrite Federal, and staff.
- Mr. A. A. Robinson, president, and Mr. O. K. Hamilton, assistant to president, and Mr. W. P. Murdoch, general passenger agent, Mexican Central Railway.
- Mr. Chas. B. Eddy, president El Paso Northeastern system.
- Mr. B. L. Winchell, president Chicago, Rock Island and Pacific Railway.
- Mr. A. J. Davidson, president St. Louis and San Francisco Railroad.
- Mr. W. J. Harahan, general manager, and Mr. David W. Ross, general superintendent of transportation, Illinois Central Railroad.

To all others who contributed to the success and pleasure of the convention we desire to return our most heartfelt thanks.

With the authority, as we understand it, that this report be made a matter of record in the proceedings of the convention, we also recommend that copies of this report be transmitted to all parties named in the report.

CONSTITUTION

OF THE

NATIONAL ASSOCIATION OF RAILWAY COMMISSIONERS, ADOPTED AT SAN FRANCISCO, CAL., JUNE 7, 1901.

I.—NAME.

The name of this association shall be "The National Association of Railway Commissioners," and its object the discussion of subjects pertaining to railway operation and supervision.

II.—MEMBERSHIP.

Active membership shall embrace only the Interstate Commerce Commissioners, the railway commissioners or deputy commissioners of the several States and Territories of the Union, and in those States and Territories having no railway commissions State officers who by law exercise active supervisory powers over the affairs of railways; also the secretary and assistant secretary of the Interstate Commerce Commission, and the secretary or clerk of each State railway commission where such office is created by law.

Honorary membership shall include former members of the association, a committee of three from each steam or street railway accounting association, the statistician of the Interstate Commerce Commission, and of the several State commissions, together with the engineers of said commissions.

Active members shall be entitled to one vote each, if present, upon all questions coming before the association. Honorary members shall have the privileges of the floor and the right of debate, but shall not be entitled to vote.

III.—OFFICERS.

The officers of the association shall consist of a president, two vice-presidents, a secretary, and assistant secretary, who shall discharge the duties ordinarily devolving upon such officers in similar associations. They shall be elected from the active members of the association by ballot, upon nomination upon the floor of the convention, and shall hold office from the close of that annual session at which they are elected until the close of the next annual session and until their successors are chosen. If an officer becomes disqualified for active membership during his term of office, he shall thereby lose the right to vote.

IV.—COMMITTEES.

The following shall be the standing committees of the association, to be appointed from among the active members by the president:

1. An executive committee of seven in all, of which the president and secretary shall be ex officio members. This committee shall have general charge of the arrangements governing the holding of the several meetings of the association and the conduct of business at those meetings. The first order of business after the calling to

order of a convention shall be the report of this committee. The report of this committee and of all other committees shall be filed for printing and distribution at least thirty days before holding the annual convention.

2. A committee of five on classification of operating and construction expenses of electric railways.

3. A committee of seven on grade crossings.

4. A committee of seven on railroad taxes and plans for ascertaining fair valuation of railroad property.

5. A committee of seven on classification of operating and construction expenses of steam railways.

6. A committee of seven on uniform classification and simplification of tariff sheets.

7. A committee of seven on railroad statistics.

8. A committee of seven on legislation.

9. A committee of seven on safety appliances.

10. A committee of seven on delays attendant upon enforcing orders of railroad commissions.

11. A committee of seven on rates and rate making.

12. Such other committees as the convention may, by a majority vote, create.

V.—ANNUAL MEETING.

One meeting of the association shall be held each year. The time and place for each meeting shall be designated by the preceding convention, but in case of failure to so designate the executive committee shall call the meeting.

VI.—AMENDMENTS.

This constitution may be amended at any annual convention by a majority vote of the active members present, provided that such amendment has been submitted in writing to the secretary of the association and by him sent to the Interstate Commerce Commission and the several boards of railroad commissioners at least two months previous to the meeting of said annual convention. If no notice of the proposed amendment has been given as above, it shall require a two-thirds vote for its adoption.

LIST OF RAILROAD COMMISSIONS,

SHOWING

OFFICIAL TITLES AND ADDRESSES, AND NAMES AND ADDRESSES OF
MEMBERS, SECRETARIES, AND OTHER OFFICERS.

INTERSTATE COMMERCE COMMISSION.

WASHINGTON, D. C.

MARTIN A. KNAPP, *of New York, Chairman.*
JUDSON C. CLEMENTS, *of Georgia.* CHARLES A. PROUTY, *of Vermont.*
JAMES D. YEOMANS, *of Iowa.* JOSEPH W. FIFER, *of Illinois.*
EDWARD A. MOSELEY, *Secretary.*
MARTIN S. DECKER, *Assistant Secretary.*
H. C. ADAMS, *Statistician.*
J. M. SMITH, *Auditor.*

RAILROAD COMMISSION OF ALABAMA.

MONTGOMERY, ALA.

JOHN V. SMITH, *President* Montgomery, Ala.
W. C. TUNSTALL Greensboro, Ala.
W. T. SANDERS Athens, Ala.
VIRGIL C. GRIFFIN, *Secretary* Montgomery, Ala.
After March 1, 1905, B. B. Comer succeeds John V. Smith.

RAILROAD COMMISSION OF ARKANSAS.

LITTLE ROCK, ARK.

JOSEPH W. PHILLIPS, *Chairman* Little Rock, Ark.
J. E. HAMPTON Little Rock, Ark.
B. B. HUDGINS Little Rock, Ark.
WM. E. FLOYD, *Secretary* Little Rock, Ark.

RAILROAD COMMISSION OF CALIFORNIA.

SAN FRANCISCO, CAL.

A. C. IRWIN, *President* Marysville, Cal.
ADAM ANDREW San Francisco, Cal.
ORRIN S. HENDERSON Stockton, Cal.
JUDSON C. BRUSIE, *Secretary* San Francisco, Cal.

RAILROAD COMMISSION OF CONNECTICUT.

HARTFORD, CONN.

W. F. WILCOX, *Chairman* Chester, Conn.
WILLIAM O. SEYMOUR Ridgefield, Conn.
O. R. FYLER Torrington, Conn.
HENRY F. BILLINGS, *Clerk* Hartford, Conn.

RAILROAD COMMISSION OF FLORIDA.

TALLAHASSEE, FLA.

JEFFERSON B. BROWNE, <i>Chairman</i>	Key West, Fla.
JOHN L. MORGAN.....	White Springs, Fla.
R. HUDSON BURR.....	Little River, Fla.
ROYAL C. DUNN, <i>Secretary</i>	Tallahassee, Fla.

RAILROAD COMMISSION OF GEORGIA.

ATLANTA, GA.

J. P. BROWN, <i>Chairman</i>	Hawkinsville, Ga.
H. WARNER HILL.....	Greenville, Ga.
JOSEPH M. BROWN.....	Marietta, Ga.
GEO. F. MONTGOMERY, <i>Secretary</i>	Marietta, Ga.

RAILROAD AND WAREHOUSE COMMISSION OF ILLINOIS.

SPRINGFIELD, ILL.

JAMES S. NEVILLE, <i>Chairman</i>	Bloomington, Ill.
ARTHUR L. FRENCH.....	Chapin, Ill.
ISAAC L. ELLWOOD.....	Dekalb, Ill.
WILLIAM KILPATRICK, <i>Secretary</i>	Springfield, Ill.
CHARLES J. SMITH, <i>Assistant Secretary</i>	Springfield, Ill.

RAILROAD COMMISSION OF IOWA.

DES MOINES, IOWA.

E. A. DAWSON.....	Waverly, Iowa.
DAVID J. PALMER.....	Washington, Iowa.
N. S. KETCHUM.....	Marshalltown, Iowa.
DWIGHT N. LEWIS, <i>Secretary</i>	Des Moines, Iowa.

RAILROAD COMMISSION OF KANSAS.

TOPEKA, KANS.

A. D. WALKER, <i>Chairman</i>	Topeka, Kans.
G. W. WHEATLEY.....	Topeka, Kans.
J. W. ROBINSON.....	Topeka, Kans.
CYRUS ANDERSON, <i>Secretary</i>	Topeka, Kans.

RAILROAD COMMISSION OF KENTUCKY.

FRANKFORT, KY.

C. C. McCHORD, <i>Chairman</i>	Springfield, Ky.
McD. FERGUSON.....	La Center, Ky.
A. T. SILER.....	Williamsburg, Ky.
MOSES R. GLENN, <i>Secretary</i>	Frankfort, Ky.

RAILROAD COMMISSION OF LOUISIANA.

BATON ROUGE, LA.

C. L. DE FUENTES, <i>Chairman</i>	New Orleans, La.
OVERTON CADE.....	Youngsville, La.
W. L. FOSTER.....	Shreveport La.
W. M. BARROW, <i>Secretary</i>	Baton Rouge, La.

RAILROAD COMMISSION OF MAINE.

AUGUSTA, ME.

JOSEPH B. PEAKS, <i>Chairman</i>	Dover, Me.
B. F. CHADBOURNE.....	Gorham, Me.
PARKER SPOFFORD.....	Bucksport, Me.
E. C. FARRINGTON, <i>Clerk</i>	Augusta, Me.

RAILROAD COMMISSION OF MASSACHUSETTS.

BOSTON, MASS.

JAMES F. JACKSON, <i>Chairman</i>	Fall River Mass.
GEORGE W. BISHOP.....	Newtonville, Mass.
CLINTON WHITE.....	Melrose, Mass.
CHARLES E. MANN, <i>Clerk</i>	Malden, Mass.

RAILROAD COMMISSION OF MICHIGAN.

LANSING, MICH.

THERON W. ATWOOD, <i>Commissioner</i>	Lansing, Mich.
D. HEALY CLARK, <i>Deputy Commissioner</i>	Lansing, Mich.
JAMES BICE, <i>Mechanical Engineer</i>	Lansing, Mich.

RAILROAD AND WAREHOUSE COMMISSION OF MINNESOTA.

ST. PAUL, MINN.

IRA B. MILLS, <i>Chairman</i>	St. Paul, Minn.
CHARLES F. STAPLES.....	St. Paul, Minn.
WILLIAM E. YOUNG.....	St. Paul, Minn.
A. C. CLAUSEN, <i>Secretary</i>	St. Paul, Minn.
THOMAS YAPP, <i>Statistician</i>	St. Paul, Minn.

RAILROAD COMMISSION OF MISSISSIPPI.

JACKSON, MISS.

S. D. MCNAIR, <i>President</i>	Jackson, Miss.
J. C. KINCANNON.....	Jackson, Miss.
R. L. BRADLEY.....	Jackson, Miss.
T. R. MAXWELL, <i>Secretary</i>	Jackson, Miss.

RAILROAD AND WAREHOUSE COMMISSION OF MISSOURI.

JEFFERSON CITY, MO.

JOS. P. RICE, <i>Chairman</i>	Jefferson City, Mo.
JOHN A. KNOTT.....	Jefferson City, Mo.
FRANK A. WIGHTMAN.....	Jefferson City, Mo.
T. M. BRADBURY, <i>Secretary</i>	Jefferson City, Mo.

RAILROAD COMMISSION OF NEW HAMPSHIRE.

CONCORD, N. H.

HENRY M. PUTNEY, <i>Chairman</i>	Manchester, N. H.
ARTHUR G. WHITTEMORE, <i>Clerk</i>	Dover, N. H.
GEORGE E. BALES.....	Wilton, N. H.

RAILROAD COMMISSION OF NEW YORK.

ALBANY, N. Y.

GEORGE W. DUNN, <i>Chairman</i>	Albany, N. Y.
FRANK M. BAKER.....	Albany, N. Y.
JOSEPH M. DICKEY.....	Albany, N. Y.
GEORGE W. ALDRIDGE, <i>Secretary</i>	Albany, N. Y.

CORPORATION COMMISSION OF NORTH CAROLINA.

RALEIGH, N. C.

FRANKLIN MCNIELL, <i>Chairman</i>	Raleigh, N. C.
SAMUEL L. ROGERS.....	Raleigh, N. C.
E. C. BIDDINGFIELD.....	Raleigh, N. C.
H. C. BROWN, <i>Secretary</i>	Raleigh, N. C.

RAILROAD COMMISSION OF NORTH DAKOTA.

BISMARCK, N. DAK.

C. S. DIESEM, *Chairman* La Moure, N. Dak.
 ERICK STAFNE Wahpeton, N. Dak.
 JOHN CHRISTIANSON Bismarck, N. Dak.

COMMISSIONER OF RAILROADS AND TELEGRAPHS OF OHIO.

COLUMBUS, OHIO.

J. C. MORRIS, *Commissioner* Columbus, Ohio.
 H. E. King, *Chief Clerk* Columbus, Ohio.

BUREAU OF RAILWAYS OF PENNSYLVANIA.

HARRISBURG, PA.

ISAAC B. BROWN, *Secretary of Internal Affairs* Harrisburg, Pa.
 THEO. B. KLEIN, *Superintendent Bureau of Railways* Harrisburg, Pa.
 W. W. MORGARIDGE, *Ass't Superintendent Bureau of Railways* Harrisburg, Pa.

RAILROAD COMMISSIONER OF RHODE ISLAND.

PROVIDENCE, R. I.

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